



Daily Report

China

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General

Spokesman Denies Attack on Mexican Student

HK061242 Hong Kong AFP in English 1147 GMT
6 Jan 88

[Text] Beijing, Jan 6 (AFP)—A Mexican art student got drunk and fell from a guesthouse roof, the Chinese Foreign Ministry said here Wednesday, denying the student's claims that he had been pushed.

"According to our knowledge, the question of his being beaten up by someone either before or after his fall simply doesn't arise," Foreign Ministry spokesman Ma Yuzhen told a weekly press briefing here.

"Any other allegations are at variance with facts," he added.

Francisco Reyes, 33, told foreign reporters from his hospital bed Monday that he had been beaten and then deliberately pushed from the roof last Wednesday by three unidentified attackers.

Mr. Reyes, who quoted doctors as telling him that he would be paralyzed for life, also said Monday that the police treated him "like a criminal," holding him for eight hours before taking him to hospital.

He said that police officers, who believed he was drunk and not injured, forced him to sit up straight in a chair and answer questions despite his broken spine and cries of pain.

Mr. Ma, who acknowledged that their were "different versions" of the incident and that the Foreign Ministry was "still not very clear about a number of things," said there would be further investigations.

Asked about contradictions between the official Chinese version and the student's claims, Mr. Ma said: "I suggest that you believe my version."

He said China regretted that a student from a "friendly country" had been "injured in a fall," adding that at the moment there was no question of compensation.

"The important thing in the matter is that he got himself injured after getting drunk," he said.

The official NEW CHINA NEWS AGENCY (NCNA) also said Wednesday that Mr. Reyes had been drinking heavily before he fell from the roof.

It said Mr. Reyes had been found by security guards under the eaves of the guesthouse and that they "did not know who he was or (that) he was injured." They decided to take "the intruder" to a local police station.

The report, which quoted one policeman as saying that Mr. Reyes' appearance "suggested that he was a foreigner," said he was drunk, "incoherent, and refused to answer any questions."

An interpreter, Liu Jianhua, later arrived and spoke to Mr. Reyes in Chinese without response, NCNA said.

"Then I changed into Spanish and it was only then that he said he felt injured and asked to be taken to hospital," Mr. Liu was quoted as saying.

Mr. Reyes told reporters Monday that he had difficulty in expressing himself in Chinese.

NCNA also said that police were delayed in taking Mr. Reyes to hospital due to the late arrival of the interpreter and difficulties in getting an ambulance.

More than 60 demonstrators, mainly from Latin American countries, marched to the Ministry of Public Security here Monday, calling for an investigation.

Mexican Embassy officials here have said that they have asked the Foreign Ministry to investigate and punish those responsible, but have withheld comment pending a reply from the authorities.

Soviet Union

Soviet Foreign Minister Visits Afghanistan

OW050049 Beijing XINHUA in English
1845 GMT 4 Jan 88

[Text] Moscow, January 4 (XINHUA)—Soviet Foreign Minister Eduard Shevardnadze arrived in Kabul today to start "a working visit," the official Soviet news agency TASS reported.

Shevardnadze's Kabul trip, which had not been announced in advance takes place at a time when the Soviet Union and the Kabul regime have intensified military actions against Afghani resistance forces, and also just before Pakistan and the Kabul regime resume talks in Geneva. They are expected to meet in or around February.

TASS gave no details of what Shevardnadze would be doing in Kabul, but his trip there coincides with a 3-day visit to Islamabad, Pakistan, by U.S. Undersecretary of State Michael Armacost.

Moscow and Kabul claim that their forces recently lifted the Afghan siege of Khowst, a city in southeast Afghanistan 34 kilometers from the Pakistan border.

Soviet Foreign Ministry spokesman Gennadiy Gerasimov said at a press conference here this afternoon that the road from Gardiz, Afghanistan, to Khowst has been "open" since last December 30, and that since then "over 4,500 tons of freight have been hauled to Khowst."

Gerasimov added that "all in all, 24,000 tons of cargoes are to be delivered there."

However, Western reports say that fighting is continuing in the area.

This is Shevardnadze's second visit to Kabul since he became Soviet foreign minister in July 1985. His previous visit took place last January.

Soviet Agents, Espionage Methods in PRC

HK020828 Hong Kong CHENG MING

in Chinese No 123, 1 Jan 88

[Report by our reporter: "The Soviet Spies in China—Zhuang Siming on KGB in Beijing"]

[Text] Reporter: Mr. Zhuang, now you can tell us something about Soviet spies in China.

Zhuang: All right. I have heard much about the matter of Soviet spies in Beijing. All the cases I want to take up are those that have not been publicly reported. Han Xianchu's Grandson Is Yao Yilin's Secretary [subhead]

Reporter: This is a very interesting story. But please first touch on some cases that have happened in recent years.

Zhuang: Sure. The most shocking story is the case of Han Kui, grandson of Han Xianchu formerly commander of the Fuzhou Military Region and commander of the Lanzhou Military Region, who was involved with the KGB.

Han Kui was an outstanding university student (he probably graduated from the liberal arts school of Beijing University). He speaks both Russian and English. Due to his outstanding scholastic achievements and his unusual background, he was selected as a confidential secretary to Vice Premier Yao Yilin. Han Kui Meets Soviet Girls at a Dance [subhead]

Han Kui was fond of dancing and had a good knowledge of foreign languages and was a frequent customer of international clubs. Beijing Security Bureau personnel noticed that he went there frequently, but an investigation revealed that he was the grandson of Han Xianchu. Given his background, they did not dare trouble him. He was dancing. He hit it off with two Soviet girls who frequently went there to dance. The two were uncomplicated and warm. Han Kui gradually lowered his guard.

Through what Han Kui told them about himself, the Soviet girls gradually came to know about his background and work. Therefore, they became more assertive and chummy. They also invited him to a dance at the Soviet Embassy. Due to the importance and special nature of his work, Han Kui could not go by himself to the Soviet Embassy, but the two girls kept asking him to go. It was, after all, just dancing, they said. That was all. Han Kui could not resist the temptation and at last

relented. At first he behaved like a gentleman. It was really nothing but dancing. But he gradually became emboldened, surrendering himself to the spirit of the occasion. The two girls kept asking him to drink wine (with perhaps something in it). After drinking, Han Kui felt kind of giddy. He lost control of himself and followed the two girls to the bedroom. The lights were turned off... His Bedroom Antics Are Secretly Photographed [subhead]

After he was all finished, Han Kui came round. He made his way home lightheartedly as though nothing had happened. Since that experience, he felt that time passed slowly. He just could not wait for the following Saturday to arrive.

The day he had waited for came. He happily made for the Soviet Embassy again. Yet everything that greeted his eyes had changed. Placed on the table were many pictures of him in the nude, "performing in bed" with the Soviet girls. It turned out that everything he had done with them after the lights were turned off had been photographed with an infrared camera. He was stunned. He was very sorry. But it was too late.

"Look, what should be done with these photos?"

Han Kui said nothing and was at a loss as to what to do.

"If we hand over these pictures to the Chinese side, your reputation will be ruined. The consequences are inconceivable."

Han Kui still did not answer.

"Now there are two choices for you. One is to work for us. You will have lots of dough and an abundant supply of beautiful women. We will keep these pictures. Another way is for us to hand over these pictures to the Chinese side. Then you will be finished."

Han Kui chose the first road. He began to act as a KGB tool. He copied the documents that passed through his hands and secretly handed them over to the Soviets. Han Kui felt very uneasy about what he did. He knew that "the best way is not to do it, for nothing a person does in the world can be concealed." The day would eventually come when he would be found out, and then the consequences would be inconceivable! In 1985, after a gathering with some schoolmates who were on good terms with him, Han Kui moaned after drinking a little too much: "If a person can resist the temptation of money and girls, he will never get into serious trouble!" His schoolmates and friends still did not know what had happened. Nor did they understand the meaning of his remark. They thought that it was just a general outburst and nothing more.

According to the rules, Han Kui had to have two other people with him when sending classified documents. But Han Kui often did not want others with him and came and went by himself.

This and his close relations with the two Soviet girls gave rise to a series of questions. Han Kui was a clever man and knew, of course, that someone was watching him. But he was determined to "go whole hog" and keep at it. Yao Yilin Sets a Trap for Him [subhead]

One day, Yao Yilin handed over a classified document of the third level to Han Kui and asked him to send it to a certain organ. Han Kui made a copy of it and went out to his car. His sedan had scarcely left the office when he discovered two motorcycles tailing him.

"Someone is following!" But he kept driving, making random turns in the city. From the car mirror, he could see each of the two motorcycles with a girl riding in the back.

"Well! They have gone out to pick up their girls!" Han Kui felt very relieved and blamed himself for being so sensitive.

The sedan drove past the gate of the Soviet Embassy. He suddenly turned on the car lights and blinked twice. Another sedan from inside the embassy immediately drove out, sweeping past Han Kui's car. Han Kui quickly threw a bundle of something into the other car. Someone from that car had also quickly dropped another package into Han Kui's car. All of a sudden, two motorcycles quickly pulled up on either side of Han Kui's car, forcing Han Kui to stop. Soviet Girls Are Terrible "Swallows" [subhead]

Han Kui had scarcely opened his car door when a gun was aimed at him and a pair of shining handcuffs appeared. Both his wrists were manacled. His head drooped and he shook all over.

Reporter: Han Kui's experience sounds like a tale from a story book. The two Soviet girls were undoubtedly "swallows" trained by the KGB to seduce men. It is said that there are also men called "crows" who are supposed to seduce women!

Zhuang: Those terrible "swallows" got Han Kui into trouble. Han Kui was paid cash on delivery, and the package the Soviets had passed over to him contained money. He was caught red-handed. He had no other alternative but to plead guilty. After a trial, the Security Bureau suggested that he be executed. But Yao Yilin, out of respect for his grandfather, wrote a note that instructed that his life be spared, so he was sentenced to 20 years' imprisonment instead. Common criminals get only 15 years at most. A person is given life imprisonment if the sentence is for more than 15 years. Han Kui's case was a very special one. It was not imprisonment for

life but for 20 years. Because he was Yao Yilin's confidential secretary and knew many secrets, he was not sent to Beijing's No 1 Prison. Instead, he was sent to the Qincheng Prison. After he was placed under arrest, he came close to a mental breakdown. It was said that his folks urged him not to be so pessimistic and to turn over a new leaf. This gave him the idea to write a book about how he had lapsed into crime.

Reporter: This book will be very interesting.

Zhuang: Everything that I have told you came from what Han Kui's good friends have told me. It is not first hand information, but there may not be too great a difference. Wang Jingcai Collects Information About China for the Soviet Union [subhead]

Reporter: Have you ever had personal contact with Soviet agents?

Zhuang: The third squadron in which I was placed had a Soviet agent sentenced to 10 years' imprisonment. His name was Wang Jingcai and he was a person of mixed race. His father was a Chinese and his mother a Soviet. He was born in the Soviet Union and later returned to China. That man was not as tall as a foreigner, and he did not look like a person of mixed blood unless you studied his face closely.

During the Cultural Revolution, Wang Jingcai was not a Soviet agent, but he was arrested and charged with being one. His father, who had a Soviet wife, was also accused of being "a Soviet spy" and was compelled to end his own life.

After the downfall of the Gang of Four, China gradually opened up. Wang Jingcai went to the Soviet Embassy in connection with handling some documents. The Soviets had set their sights on this bright young man and asked him to collect information about China, saying that they would pay him and have the money deposited in a foreign bank. Operating funds would be first handed over to him in China. At that time, Wang Jingcai was working at a motor repair factory for very low wages. He accepted the assignment for financial reasons. He Cooperates With His XINHUA NEWS AGENCY Friends [subhead]

Wang Jingcai had several friends who worked in the XINHUA NEWS AGENCY printing house. These people were responsible for printing copies of reference materials on domestic and international affairs for internal circulation and other sensitive documents meant for the consumption of the CPC Central Committee and relevant responsible persons. Wang Jingcai, capitalizing on his relations with his friends, sought some of these classified documents from them and handed them over to the Soviet Embassy. The important documents on domestic affairs that he handed over dealt with, among other things, how Liu Shaoqi, He Long, Zhang Zhixin, and others were persecuted to death. At that time, the

press had not made these matters public; Therefore, the Soviet Union showed unusually great appreciation for his work, providing him with lots of operating funds. He handed over part of the money to his XINHUA NEWS AGENCY friends, including someone named Zhang.... Zhang aroused people's curiosity by using crisp new 10-yuan notes to buy things. An investigation showed that they came from the Soviet Embassy. It turned out that whenever the Soviets exchanged rubles for Renminbi notes, the Public Security Bureau of China marked down all the numbers involved. Therefore, the investigation produced immediate results, and Zhang was put under arrest. Wang Jingcai was also arrested, for everything could be immediately traced to him. By the Time of His Arrest, Wang Jingcai Had Stopped Working for the KGB [subhead]

By the time Wang Jingcai was arrested, he had not been an agent of the Soviet Union for several months. He had demanded that he be allowed to retire, but the Soviets wanted him to work for 3 more months, claiming that they needed time to find a proper replacement for him. Three months later, he officially called it quits.

During the trial, Wang Jingcai admitted that he had acted as an agent of the Soviet Union. Why had he wanted to act as "a Soviet agent" in the first place? Well, he felt that whatever he did or did not do made no difference. After all, at the first sign of trouble, he would be labeled "a Soviet agent" anyway. Therefore, when asked to be a "real" agent, he went along with it. Why then did he later stop playing the role? According to what he said, this was chiefly because there was no sense in working as an agent for a communist party. He told his interrogators that during the great Cultural Revolution, he did not act as an agent but was imprisoned for quite a long period of time. Therefore, he demanded that the time he had spent in prison in the past be used to offset part of the period of imprisonment he would now be facing. This request was ignored.

The Beijing Public Security Bureau (the Security Bureau was not yet established at that time) asked for his "cooperation," but he did not go along with them. He said that he would rather act as an agent for the United States or other Western countries than for the Soviet Union and China. This was because acting as an agent for the Communist Party was considered by them as a matter of course. There was nothing to gain. Instead, you were asked to fear neither hardship nor death, and there was no reward for risking your life. When you performed a deed of merit, high-ranking officials took all the credit and lived it up, leaving you to your own fate.

After Wang Jingcai was confined to the Beijing No 1 Prison, he had no one to visit him, for his parents were long dead. The long period of imprisonment left him undernourished. With no one to keep him supplied with food, he often fell ill and suffered from hepatitis. He was frequently sent to the prison's hospital. His accomplice Zhang was sentenced to 15 years' imprisonment.

Reporter: The cases of Han Kui and Wang Jingcai acting as agents for the Soviet embassy are quite serious. Why haven't they been made public? Not All Serious Cases Are Reported Publicly [subhead]

Zhuang: Well, this is a strange characteristic of China's legal system. Everything is done in a furtive way. As dictated by political considerations or at the whim of a top-ranking official, a case may be publicized with great fanfare or kept quiet. A judge does not try cases according to the law. He treats cases according to someone's whims or according to the needs of a situation. Therefore, there is great flexibility. Many prisoners say: "In China, you are guilty if you are considered so. Or you are not guilty if you are considered not guilty." China is making a transition to the rule of law. But at present, there are still obvious features of rule by men. Power counts more than the law.

Reporter: Mr Zhuang, what will you talk about in the next issue?

Zhuang: There will be further talk about the activities of U.S. and Soviet agents in China.

Northeast Asia

Paper Reports DPRK Officials' Views on Korea

View on Talks

HK061437 Beijing RENMIN RIBAO in Chinese
5 Jan 88 p 6

[Report by Reporter Xu Baokang (1776 1405 1660): "Yang Hyong Sop, Vice Chairman of the Korean Fatherland Peaceful Reunification Committee and Chairman of the Standing Committee of the Supreme People's Assembly, Urged the United States and South Korea to Participate in Tripartite Talks Aimed at Relaxing Tension and Preserving Peace"]

[Text] Pyongyang, 3 Jan—Yang Hyong Sop, Vice Chairman of the Korean Fatherland Peaceful Reunification Committee and Chairman of the Standing Committee of the Supreme People's Assembly, pointed out here: Under the prerequisite of safeguarding and consolidating peace and promoting peaceful reunification, the northern side of Korea (chao xian bei bu 2600 7639 0554 6752), the United States, and South Korea should convene consultations aimed at relaxing tension and preserving peace. He urged the United States and South Korean authorities to respond as early as possible to the plans of tripartite talks and disarmament consultations proposed by the northern side.

Yang Hyong Sop uttered the remarks at a report meeting to mark the first anniversary of the proposal put forward by Kim Il-song on high-level military talks between the North and the South.

In his speech, Yang Hyong Sop reviewed a series of sincere efforts made by Korea aimed at relaxing tension on the peninsula and striving for the peaceful reunification of Korea. He strongly condemned the disgraceful conduct of the United States and the South Korean authorities in rejecting the peace proposal put forward by the northern side. He pointed out: Although the United States and South Korean authorities bellow about relaxation of tension on the Korean peninsula and peace and reunification, they actually pursue a policy of confrontation, war, and division.

Yang Hyong Sop said with condemnation that No Tae-u's assumption of office would be an "extension of military autocratic rule." He emphasized that if No Tae-u were allowed to take office, the South Korean people would be more closely shackled to the colonial and fascist autocratic rule closer than today; relations between North and South would deteriorate further; and democracy in Korea would be inevitably threatened by nuclear war.

In conclusion, Yang Hyong Sop said: Korea will heighten its vigilance and pay close attention to the trick of the United States and South Korean authorities aimed at splitting democracy forever. At all times, the Korean people will work and live in an atmosphere of full alertness.

View on Unity

HK061453 Beijing RENMIN RIBAO in Chinese
5 Jan 87 p 6

[Report by Reporter Xu Baokang (1776 1405 1660): "Ho Tam, Political Bureau Member and Secretary of the Workers' Party of Korea, Urges Holding a Joint Meeting Between North and South Koreans"]

[Text] Pyongyang, 3 Jan—In his written statement issued on 3 January, Ho Tam, Political Bureau Member and Secretary of the Korean Workers' Party Central Committee, pointed out: If a joint meeting between the South and North can be held, the deadlock between them can be broken. This will create a new situation of peace and peaceful reunification, which is desired by the entire nation. The year 1988 should be the year of reconciliation and unity of the entire Korean nation.

Ho Tam added in his written statement: Multichannel dialogue between South and North Korea has broken off, and the danger of hostility, confrontation, war, and permanent split is becoming greater and greater.

He stressed: The policy of dialogue aimed at reunification proposed by President Kim Il-song in his New Year's message is the latest "prescription" for ending the present deadlock; improving abnormal relations between the South and the North, characterized by sharp confrontation; conducting dialogue; preserving peace; and promoting peaceful reunification. The policy reflects

the desire of the entire nation for reunification and international development trends, which are gradually becoming more and more relaxed.

He continued: The proposal for a "joint meeting between the South and the North" put forward by President Kim Il-song is of great significance. This is because the problem of Korea is not a problem of interests between those in power and relevant political parties but a matter of the common interests of all nations, including those who are in power, ruling parties, and all classes, strata and political forces. The problem can be correctly solved only by soliciting the opinions of the authorities in both the South and the North, ruling parties, social organizations, and individuals.

In conclusion, he hoped that all political parties, organizations, personages of various circles, and the authorities in South Korea would support and respond to the plan proposed by President Kim Il-song aimed at saving the nation and make every possible effort to implement the plan as soon as possible.

Near East & South Asia

CPC Delegation Visits North African Countries

OW050013 Beijing XINHUA in English
1551 GMT 4 Jan 88

[Text] Beijing, January 4 (XINHUA)—A delegation of the Communist Party of China (CPC) left here tonight on a visit to Tunisia, Algeria, and Morocco at the invitation of the Tunisian Destourian Socialist Party, the party of the National Liberation Front of Algeria, and the Moroccan National Assembly of Independents respectively.

The delegation is led by Zhu Liang, member of the CPC Central Committee and head of the committee's International Liaison Department.

Roundup on Intensified Diplomacy Around DRA

OW070223 Beijing XINHUA in English
1100 GMT 6 Jan 88

["Roundup: Intensified Diplomatic Activities Around Afghan Issue"—XINHUA headline]

[Text] Islamabad, January 6 (XINHUA)—Diplomatic activities associated with the eight-year-long Afghanistan issue have appeared more frequent with the advent of 1988.

U.S. Under-Secretary of State for Political Affairs Michael Armacost came to Islamabad on January 4 for discussions with Pakistan officials on a series of issues, noticeably the Afghan problem.

Armacost also met Afghan resistance leaders in Pakistan and reaffirmed to them continuous U.S. support for their struggle.

On the same day of Armcost's arrival in Islamabad, Soviet Foreign Minister Eduard Shevardnadze flew to the Afghan capital of Kabul, a move which Radio Moscow said was prompted by Armcost's visit. The radio noted that it showed Moscow's seriousness in seeking a solution to the Afghanistan issue.

The Soviet Union of late has repeatedly declared its intention, though often in vague terms, to withdraw its estimated 120,000 troops from Afghanistan.

During his summit with U.S. President Ronald Reagan in Washington last month, Soviet leader Mikhail Gorbachev claimed that the Soviet Union was not pressing for a pro-Soviet regime in Kabul but wanted the U.S. to give up its attempts to install a pro-U.S. Government in that country.

Moscow was also reported to have approved the proposal for Soviet troops to withdraw from Afghanistan in 12 months on condition that they would not be under attack of resistance forces during the withdrawal. The proposal is expected to be put forward by Kabul representatives at the next round of the U.N.-sponsored indirect talks with Pakistan scheduled in Geneva next month.

However, the developments seem to be in sharp contrast with the large-scale offensive launched by Soviet-Kabul troops against the resistance in Khost City, Paktia Province, where the resistance has maintained a stronghold since the beginning of the Soviet invasion. This is regarded by observers here as a move to strengthen Kabul's morale and its bargaining position in any possible peace talks in the future.

Two weeks later, Diego Cordovez, the U.N. mediator in the Afghanistan issue, will start his new diplomatic shuttle between Islamabad and Kabul to sort out the obstacle to the solution of the Afghan problem—the timetable for Soviet withdrawal—which has been left over in the indirect talks beginning 1982.

Except for the timetable, Pakistan and Kabul were said to have virtually accepted the draft peace package prepared by Cordovez providing for the principle of non-interference, international guarantees and return of Afghan refugees in Pakistan.

Pakistan top leaders regard 1988 as a crucial year to the solution of the Afghanistan issue. During the months to come, whether the Soviets really mean what they have said and whether this would contribute to a settlement of the Afghan question would be a focus of attention here and possibly in other parts of the world.

News Analysis Views Palestinian Struggle
OW070800 Beijing XINHUA in English
0701 GMT 7 Jan 88

["News Analysis: Palestinian Struggle Takes on a New Look"—XINHUA headline]

[Text] Cairo, January 7 (XINHUA)—The month-long Palestinian uprising in the occupied West Bank and the Gaza Strip, the largest during the 20-year-odd Israeli occupation, has surged since the New Year's day, the 23rd anniversary of the Palestine Liberation Organization (PLO).

The peaceful demonstration has rallied world sympathy and support and conspicuously improved the Palestinian image, which has been harmed by a few groups of terrorists in the past few years.

The demonstrators limited their targets at Israeli troops, instead of attacking civilian Jews, and threw stones and molotov-cocktails, instead of installing time-bombs and using other weapons.

Amid world sympathy with the Palestinians, even the U.S., which almost always sided Israel in the United Nations, obtained the vote instead of using the veto against the U.N. Security Council's resolution on December 23, which strongly deplored Israel's violence.

Meanwhile, many Israelis this time did not seem inclined to cooperate with their government this time. Some 2,000 Jews took to the street in Jerusalem on December 26 to protest against the government's violence in the occupied territories and demanded the convocation of an international Mideast peace conference.

The uprising has distinguished itself from the previous ones in that most of the participants are teenagers, the third generation of Palestinian refugees, who are bolder, more confident and less hesitant.

The ongoing uprising serves as a volcanic outburst of Palestinian anger with the 20-year-old military occupation. Since 1967, some 58,000 Jews have settled down in the occupied territories, occupying large pieces of lands originally owned by the Palestinians and driving them into refugee camps.

In the 8-kilometer-wide and 45-kilometer-long Gaza Strip, the minority Jewish settlers live on the 33 percent of the fertile land while 650,000 Palestinians are jammed in the crowded and filthy refugee camps.

The medicare, education and employment of the Palestinian refugees are getting worse and Israel is making its utmost to control Palestinians economically. The industrial and agricultural products of the two areas must be branded with "Made in Israel" before their export, or bought by Israel at low prices and exported at high

prices. There is widespread racial discrimination against the Palestinians, the same as that against the black people in racist South Africa.

The uprising also signals Palestinians' discontent with the international community's negligence on the Palestinian issue and its treatment of the Palestinians not as an equal participant in the proposed international Mid-east peace conference.

The Gulf tension seems an international weight elbowing the Palestine issue to a second importance. At the Amman Arab summit last November, Arab leaders focused their attention on the Gulf war. The Palestinian issue was no better than shelved.

Meanwhile, the United States and Israel are persisting in not granting the Palestinians and their legitimate representative PLO the right to enjoy the equal status as other parties concerned to participate in the proposed conference.

Therefore, the uprising is just a thunderous outcry of the Palestinians for world attention to the Palestinians' plight and their hope for the self-determination and the establishment of an independent Palestinian state.

Sub-Saharan Africa

PRC Diplomat on Relations With Africa
OW070329 Beijing XINHUA in English
1437 GMT 6 Jan 88

[Text] Beijing, January 6 (XINHUA)—Similar historical experiences between the Chinese and African peoples have brought them into close friendship, said veteran Chinese diplomat Gong Dafei.

Peoples in China and Africa have many ideas and feelings in common, and the exchanges between them can be traced back to ancient times, Gong said, yet real friendship did not develop until their liberation and independence.

The Sino-African relationship has ushered in a new era, said the Chinese former vice minister of foreign affairs, who has devoted himself to Sino-African friendship for thirty years and now is president of the Sino-African People's Friendship Association.

In his article commemorating the official launching of "CHINAFRIQUE", China's first periodical designed for the African public, Gong called the magazine "a bridge for Sino-African friendship".

China and Africa are facing equally hard and complicated tasks during their modernization drives, Gong said, "and they have made clear the necessity of their mutual support and understanding."

"It is important for any country to develop in its own way," the president said, "but the means of achievement is a common problem we all have to deal with."

In his article, Gong mentioned that fields for Sino-African cooperation know no boundary, and he hoped that relations between China and African nations would become closer and closer.

To protect world peace is the most urgent task for peoples all over the world, especially for those in the Third World, Gong said, adding that "this is the goal for which the Chinese and African people have been struggling."

At the end of his article, Gong called on Sino-African peoples to continue to make great efforts in gaining peace, development, and fairness for all human beings.

Separate Party, Government Tasks Necessary
OW060515 Beijing XINHUA in English
0822 GMT 5 Jan 88

[Text] Beijing, January 5 (XINHUA)—It is as necessary today to separate party functions from government functions as it was to have a unified leadership in times of war, an article in "BEIJING DAILY" says.

The article notes the relationship between the party and government grew out of the wartime practice of having the party assume the functions of government.

Then there was a need for centralization, high efficiency and unified leadership to guarantee victory of the Chinese revolution.

After founding of New China, party groups were set up within government departments and, at the same time, government counterparts were established within the party.

Sensing the blurred distinction between the two roles, the party Central Committee said in 1951 that the relationship should not be that of a superior and a subordinate.

But the priority then was to consolidate the new power and restore production so the party continued to take on all duties.

Addressing the party's eighth congress in 1956, Deng Xiaoping, then party general secretary, said that emphasis on strengthening the party leadership did not mean that the party should directly run the affairs of the government.

Liu Shaoqi, then party vice-chairman said in 1962 that when the party got bogged down in routine work more posts had to be created and that just served to increase the routine work for the party.

This consequence not only interfered with the work of the government but also distracted party members from studying policies of the Central Committee, Liu said.

In reality, party committees took charge and the distinction between party functions and those of the government became ever more blurred, the article says.

During the 1950s and 60s, the party Central Committee issued directives, sometimes on its own, sometimes jointly with the State Council, on everything from agricultural techniques to fertilizer distribution. It became involved in minute details of daily affairs.

In 1973, the party's 10th congress stressed that the unified party leadership should be further strengthened.

During the first few years after the 10-year Cultural Revolution which ended in 1976, previous practices were restored.

The leading party groups in government had the final say on important matters. Without the approval of party secretaries, the heads of government departments could do nothing. Initiative was stifled.

Thus the need to reform the highly centralized party leadership. And thus the need to clearly define the functions between the party and government.

Freedom, Democracy 'Necessary' in Laws
OW060507 Beijing XINHUA in English
0914 GMT, 5 Jan 88

[Text] Beijing, January 5 (XINHUA)—It is absolutely necessary to connect laws with freedom and democracy and do away with the influence of China's feudal laws in completing a socialist modern legal system, a signed article in the "CHINA CULTURE JOURNAL" said.

Ignorance of the law is common in China since China has been historically lacking in a tradition connecting laws with democracy.

Therefore, the article said, connecting laws with freedom and democracy is a watershed between modern and feudal legal systems.

The backwardness of traditional legal culture must be overcome by the adoption of a democratic decision-making process and a modern management system.

The principles of freedom and democracy that the bourgeoisie put forward but have been unable to implement thoroughly should be carried out to a greater degree than ever before.

Plato called law the nurse of freedom. But this conception has been shared by few Chinese. Even now, many Chinese deem laws to be the regulations by which the state rules over the people.

China's feudal laws featured punishment of the people, obligations without rights and confucianism, the article said. All laws in China's feudal times were designed basically to subdue people. People's rights were rarely stipulated. Emperors were exempt from any legal bounds. As laws actually became the rulers' property, people were generally indifferent about them and would rather not go to court.

Chinese feudal laws, profoundly influenced by confucian ethics, became an effective tool for safeguarding the government, the patriarchal clan system, theocracy and the husband's authority in old China.

Some scholars point out that Chinese laws were little influenced by foreign legal systems because central China, which for long had been the country's political, economic and cultural heart, was far from the coast. As a result, a self-sufficient economy instead of a market-oriented one had been dominant in the country, and there was relatively little cultural exchange.

The stagnation of Chinese feudal society, its centralized bureaucracy and its patriarchal hierarchy led to strict government control in the country, which prevented the growth of any new social structure.

Survey of Reaction to 13th Congress Launched

*OW071320 Beijing XINHUA in English
1041 GMT 7 Jan 88*

[Text] Beijing, January 7 (XINHUA)—A national survey is underway to find out people's reactions to last fall's 13th Congress of the Chinese Communist Party. "ECONOMIC DAILY" reported today.

The non-governmental survey involves 3,000 people who are going door to door with a questionnaire developed by the Beijing Social Economic Science Research Institute and the Sociology Department of Beijing University.

The areas being explored include self-employed people's reaction to the congress's reaffirmation of the private economic sector, reaction of cadres to the implementation of a public service system, and what party workers think of separating party from government functions.

The national network organized by the two institutions will also carry other social surveys throughout the country, the paper said.

GUANGMING RIBAO on Socialist Democracy

*HK070903 Beijing GUANGMING RIBAO in Chinese
17 Dec 87 p 3*

[Article by Meng Chun (1322 2504) and Hou Yulan (0186 37685695): "Establishment of the Social Consultation and Dialogue System and the Building of Socialist Democratic Politics"]

[Text] The 13th party congress put forward the demand that the whole party gradually establish a perfect social consultation and dialogue system. This is an important measure in building socialist democracy, which has been put forward on the basis of summing up both the positive and negative experiences in building socialist democracy in China, and in light of the specific historical conditions and social reality of the initial stage of socialism. It is of great importance in promoting China's building of socialist democracy, handling and harmonizing the interests and contradictions in various social circles, maintaining the political situation of stability and unity, and ensuring the smooth progress of reform and opening up.

First, establishing and perfecting the social consultation and dialogue system is an objective demand in building socialist democratic politics. The system itself is also an important component of socialist democracy.

In China the people are the masters of the country. According to the Constitution they enjoy the right to participate in the management of state, economic, cultural, and social affairs. All this indicates that our political system is, in essence, democratic. However, China is still in the initial stage of socialism. The development of its productive forces is still at a very low level and its material and technological foundation is weak. Moreover, it has been influenced by feudal and autocratic ideologies over the past several thousand years and does not have a perfect democratic tradition. The cultural level of the broad masses of people is low and their sense of democracy is weak. In addition, we have neglected building democratic politics since the founding of the state. These objective social and historical conditions cannot but greatly affect the realization of democratization in China. In our country the building of socialist democratic politics means that we must proceed from the social and historical conditions of the current stage and adopt a series of effective measures and methods to continuously develop and perfect the content and forms of socialist democratic politics, so that the right of the working people as masters of their own houses can be fully realized. Therefore establishing and perfecting the social consultation and dialogue system is an objective demand in building socialist democratic politics in the current stage.

In our country today the old systems are being gradually replaced by the new. Many problems still exist in various fields of our political, economic, and social lives. In order to protect their respective social interests the broad masses of people, who are the main body of reform, have to concern themselves with the overall interests of the state and society, and the activities of the leading organs at various levels which are representatives of the overall interests of society. They must make great efforts to raise their positions in deciding the overall interests of the state and society and give full play to their roles in this respect. They have their own views on various problems that have appeared in the course of reform and opening up. They have their own ideas on the objective and specific measures of reform. They are unprecedentedly enthusiastic and eager to understand the intentions and arrangements of the leading organs and to offer their own suggestions and demands. On the other hand the leading organs must listen attentively to the voices and opinions of the broad masses of people on reform and opening up. Establishing and perfecting the social consultation and dialogue system, so that the leaders and the masses can carry out direct dialogue through various channels will enable the masses to express their wishes, demands, and suggestions. Thus the leaders will know the actual situation and various problems which they can hardly know by staying in their offices. Through direct dialogue the leaders can also tell the masses about the

true situation of the state so that the masses can understand in good time the activities of the leading organs, and the problems and difficulties they face. When the broad masses of people understand the intentions and work arrangements of their leaders, they will be able to really participate in making policy decisions on and managing a series of major and important questions concerning state life. Their participation will, in turn, enable the leaders' policy decisions to be constantly supplemented, revised, and perfected.

In social consultation and dialogue, millions upon millions of people are listening and watching, and speaking and commenting, and the masses of people can really feel that they are exercising their democratic right in managing state affairs as masters of their own houses; and that they are participating in the management of state affairs and in policy-making in their capacity as masters of the country. In this activity the grievances of some of the masses against leading organs due to their different understanding of things can also be eliminated. The masses will be able to share the sorrows and difficulties of the leaders and suggest ways and means to solve them. Recently, through radio broadcasts and television, a dialogue between mass representatives and relevant leading comrades has been carried out to discuss questions such as "can we do a good job of market management?" and "can we stabilize commodity prices?" It played a good role as mentioned. From this we can see that gradually establishing and perfecting the social consultation and dialogue system is an objective demand in building socialist democratic politics and an important component of our effort to realize democratization in the state's political life, economic management, and social life. It symbolizes that we have taken a big step forward on the road of promoting socialist democracy in our country.

Second, establishing the social consultation and dialogue system is a good method for correctly handling all kinds of contradictions and relations between various interest groups of the society, and an effective method for the masses to educate themselves through their own efforts.

With the development of the socialist commodity economy and the deepening of overall reform there are increasing varieties of social interests and growing contradictions among the people about their material benefits. Under such circumstances, how to handle and harmonize the interests and contradictions among various social groups correctly, has become an important question in building socialist democratic politics. In the course of developing the socialist commodity economy, since there are differences among the workers, peasants, cadres, intellectuals, and people in other social strata in living environment, social position, and cultural level, there will also be differences in the demand for their specific interests though their fundamental interests coincide, and there will be different views on various specific measures adopted in reform. This is entirely a normal phenomenon. Although reform will finally bring

about benefits to all social members it does not mean that every concrete measure of reform can immediately bring about equal and direct benefits to every person. In a certain period and under certain conditions a small number of people may even suffer some losses. For this reason there should be some channels for the masses, who have different demands for their specific interests, to communicate with one another so that they can understand one another better. However, due to restrictions in various trades and professions, the masses at all social strata have not communicated well with one another for a long time. It is difficult for them to have a good understanding of all the problems that are facing the masses in all trades and professions. Therefore, when the interests of different social strata are concerned in reform and when efforts are being made to solve the most urgent problems in different trades, it often appears that some people are not convinced. For example, some cadres and workers are not happy to see that some peasants have become richer than themselves; some workers are not pleased when they see that the wages of intellectuals are increased; and some cadres have complained about getting fewer bonuses. All this has, to a certain extent, become a factor for instability in society. By establishing the social consultation system, different groups of masses with different specific interests, will be able to understand each other better through consultation and dialogue, and can eliminate their differences and misunderstandings resulting from lack of communication. They will reach a common understanding and thus a bridge of mutual understanding will be built between various social strata, between party and non-party masses, between cadres and masses, and between workers and peasants. This will help reduce the consumption of our internal energy in reform and arouse millions upon millions of masses to build socialism with one heart and one mind.

Third, establishing the social consultation and dialogue system is an important measure in building closer relations between the leading organs and the masses of people, and in overcoming bureaucratism.

The leading organs of our party and government at all levels must represent the highest interests of the broad masses of people. They are public servants of the people and should serve the people wholeheartedly. However, due to the influence of the 10 years of internal disorder, and the corrosive influence of the vestiges of the feudal and bourgeois ideologies, bureaucratism and all kinds of corruption still exist in our party and state organs. Some cadres who do not have the sense of being public servants and are divorced from the masses, are practicing paternalism in leadership and are wantonly infringing upon the interests of the masses. The people's right to participate in the management of social affairs exists only in name. However the complaints of the masses about bureaucratism and other unhealthy practices encounter difficulties reaching higher level leaders. In many places nobody cares about the suggestions of the

masses, nor about their troubles and complaints. Relations between the party and the masses have thus been seriously damaged, and the enthusiasm and creativity of the broad masses of people in building socialism have been dampened. In order to change this situation it is necessary to establish the social consultation and dialogue system so that the broad masses of people can air their views and put forward proposals on the management of their own units and on major party and state affairs, and so that they can criticize and expose bureaucratism and other unhealthy practices by cadres at various levels, as soon as such mistakes appear. In this way party and government work at various levels will be placed under the supervision and criticism of the masses. The cadres will be encouraged to listen attentively to the voices of the people and make efforts to overcome bureaucratism. The relations between party and government leaders at various levels and the masses will become closer and the party's mass line and other good traditions will be further developed.

In short, by establishing the social consultation and dialogue system and regularly carrying out all kinds of consultation and dialogue activities, we will be able to promote communications between the higher and lower levels and between the leading organs and the broad masses of people, so that they can gain a better understanding of each other and work with one heart and one mind to ensure the smooth progress of reform and opening up. We can also easily see that in order to enable the broad masses of people to effectively supervise and criticize the activities of party and state organs through consultation and dialogue, it is necessary to make party and government affairs known to the public, stimulate public opinion, have more mass media reports on major events of state and activities of leaders, and make public the activities of leading organs to a greater extent. All this is indispensable in order to enable the masses of people to gain a full understanding of the major situations of the party and the state, to openly discuss state affairs and make criticisms, and to carry out effective struggles against bureaucratism and other unhealthy practices.

Finally, establishing the social consultation and dialogue system is an effective way of strengthening the sense of democracy among the masses of people.

At present, there are two main problems in our effort to build democratic politics in our country: 1) The state's political system is still not perfect and, in our political structure, there are still some unfavorable factors for developing democracy; and 2) Restricted by their cultural level and historical traditions, most citizens still lack a sense of democracy and the ability to correctly exercise their democratic rights. Therefore, in order to build a high degree of socialist democracy, it is necessary to firmly and unswervingly carry out political structural reform so that the state's democratic system can be gradually perfected and the order of democratic life in our society gradually improved. It is also necessary to

gradually strengthen the sense of democracy among all citizens and increase their ability to correctly exercise their democratic rights. In other words we must not only solve the problems concerning the material basis for the people to act as masters of their own houses and the establishment of systems, but we must also solve the problems concerning the quality and ability of the masses of people to participate in government administration. Judging from China's current situation, long-term and arduous efforts are still needed in order to develop from establishing the political system characterized by the people being masters of their own houses, to enabling the whole people to truly and conscientiously participate in the management of state affairs. Apart from forcefully developing the socialist commodity economy and cultural and educational undertakings so as to create a sound material and intellectual foundation and a suitable environment for the existence and development of democratic politics, it is also necessary to provide the masses with opportunities and conditions to improve their ability to participate in the administration of government affairs. Establishing the social consultation and dialogue system is also aimed at providing the masses of people with an opportunity to enhance their sense of democracy and improve their ability to participate in the administration of government affairs. With the establishment of this system the broad masses of people will be able to participate in discussions and policy-making concerning the management of their own units, as well as state affairs, through consultation and dialogue. They will also be able to enhance their sense of democracy and improve their ability to exercise their democratic rights. The establishment of the social consultation and dialogue system will arouse the people's aspirations and demands for participation in government administration, and will create a good environment for the broad masses of people to understand, discuss, and participate in government administration.

With the deepening of various reforms in the initial stage of socialism and the perfection and improvement of the social consultation system, there will be more and more channels for the masses of people to discuss and participate in government administration. The quality of democracy of the masses of people will also be improved, and this will become a solid foundation and great motive power for building a high degree of socialist democracy. This is why the CPC Central Committee has emphasized the importance of gradually establishing and perfecting the social consultation and dialogue system.

LIAOWANG on Reform, Eliminating Feudalism
HK051431 Beijing LIAOWANG in Chinese
No 51, 21 Dec 87 pp 15-16

[Article by Li Yongchun (2621 3057 2504): "We Should Pay Attention to Eliminating the Influence of Feudalism While Carrying Out Political Structural Reform"]

[Text] Feudalism as a social system died in China a long time ago. However, as an ideology, its remnant influence persists in socialist China. It poisons people's thinking,

and contaminates our current institutions. In his report presented to the 13th CPC National Congress, Zhao Ziyang three times pointed out that feudalism still has "broad influence in society," and that such influence "has not yet been eliminated." Therefore, while carrying out political structural reform, and improving and perfecting the socialist system in China, we should pay attention to eliminating the pernicious influence of feudalism.

The remnant influence of feudalism manifests itself in various ways in many aspects. In his article entitled "On the Reform of the System of Party and State Leadership," Deng Xiaoping pointed out: As far as the leadership and cadre systems of our party and state are concerned, the major problems are bureaucracy, over-concentration of power, patriarchal methods, life tenure in leading posts, and privileges of various kinds. All these defects "bear the stamp of feudalism to one degree or another." In addition, in political life, official positions are regarded as more important than knowledge, and rule by men as more important than rule by law. In social relations, there are also a lingering clan mentality, a sense of hierarchy, the establishing of personal relationships, back-door deals, banding together based on social or family relations, and so on. In the economic field, there is a "mandarin" system and style in commerce. Some people look down on commodities and commerce. We should on no account turn a blind eye to all these things which bear the stamp of feudalism.

Why Does the Pernicious Influence of Feudalism Persist for a Long Time? [subhead]

In his article "On the Reform of the System of Party and State Leadership," Deng Xiaoping stressed: "From old China we inherited a strong tradition of feudal autocracy and a weak tradition of democratic legality." He added: "Through 28 years of new-democratic revolution we succeeded in overthrowing once and for all the reactionary feudal regime and the feudal system of land ownership. However, we did not complete the task of eliminating the surviving influence of feudalism in the ideological and political fields, because we underestimated their importance and because we quickly proceeded to socialist revolution." His remarks answer the above-mentioned question based on both objective and subjective factors.

As far as objective factors are concerned, we know that the tradition of feudal autocracy is deeply rooted in China. In Chinese feudal society, which lasted 2,000 to 3,000 years, there was not only a strict autocratic system, but also a complete ideological system. Although the old democratic revolution of the bourgeoisie attacked feudal autocratic rule, the Chinese bourgeoisie was too weak. It was unable to utterly destroy feudal rule as the French bourgeoisie did in the great French Revolution. Unlike the Meiji Restoration in Japan, the Chinese old democratic revolution did not succeed in turning China into a capitalist country. As a result, the feudal autocratic

system and its decadent ideology remained intact, and continued to rule China. After we entered the period of the new democratic revolution, the CPC shouldered the task of leading the people in opposing feudalism. However, due to the fact that China was a country with a semicolonial and semifeudal nature, the CPC could not but regard the anti-imperialist struggle as its most important task. It was unable to oppose feudalism with all its strength. In addition, since the counterrevolutionary forces were particularly strong, from the beginning to the end the CPC could not but regard armed struggle as the main form of struggle. It was impossible for the party to extensively carry out an antifeudal ideological struggle. It could only decide that this indispensable task of ideological struggle be continued after seizing state power. After the founding of New China, of all we inherited from old China, modern industry accounted for only 10 percent. Some 90 percent of our economic life was still in ancient times. Such economic backwardness could be overcome through the efforts of people of several generations. However, the "leftist" mistakes we committed in economic work impeded the development of socialist commodity economy for a long time. This seriously delayed the complete changing of such economic backwardness. There is still plenty of natural economy in our economic life, which is soil for the existence of feudal remnants. Like other social ideologies, the existence of feudal ideology is relatively independent. After losing the foundation for its existence, it can linger on for a fairly long historical period. These are objective reasons why the pernicious influence of feudalism can remain.

As far as subjective factors are concerned, the course of China's historical development has shown that the future of the new democratic revolution is socialism, rather than capitalism. It is a good thing that China is able to skip a stage of capitalist independent development. Historical dialectics has also shown that the stage of capitalist independent development can be skipped. However, the task of social development in this historical stage is indispensable. It should be accomplished by the people under the leadership of the Communist Party so that obstacles to socialist development can be removed. However, in the past, we "underestimated the importance" of eliminating the pernicious influence of feudalism. We neglected the following basic national condition: Chinese socialist society emerged directly from the womb of a semifeudal and semicolonial society. It has inherited more from feudalism than from capitalism. Due to such neglect, in addition to other factors, we exaggerated theoretically the dangers of capitalism. In practice, we abandoned the historical task of eliminating the pernicious influence of feudalism. In this way, people set their eyes on the "bourgeoisie inside and outside the party" (the pernicious influence of feudalism, mingled with certain capitalist stuff, spread stealthily and quietly. This is a lesson which provides food for thought.

Eradicating the Pernicious Influence of Feudalism by Relying Mainly on Political Structural Reform [subhead]

In the past, in spite of the fact that we did not pay sufficient attention to eliminating the pernicious influence of feudalism, we did do something about it. But at that time we only attached importance to the criticism of ideological style, propaganda, and education. We never considered political structural reform. Deng Xiaoping emphasized: "In endeavoring to eliminate the remnant influence of feudalism, we must stress the need to effectively restructure and improve the systems of the party and state in such a way as to ensure institutionally the practice of democracy in political life, in economic management, and in all other aspects of social activity, and thus to promote the smooth progress of modernization." Socialist democratization and feudal autocracy are in complete conflict with each other. Apart from continuing to carry out ideological education, what is most important is for us to ensure the institutionalization and legalization of socialist democratic politics. Only thus can we solve the problem of further eliminating the pernicious influence of feudalism.

The 13th CPC National Congress decided to carry out political structural reform, and set long-term and short-term targets of struggle and worked out various measures for reform. The conscientious implementation of this decision will be beneficial to eliminating the remnant influence of feudalism.

The most fundamental characteristics and requirements of political structural reform are: Our political structure should be rational, and its "input" and "output" functions should be able to operate fully. So-called full operation of the "output" function means that the leadership, state power, and administrative institutions of our country can fully and effectively exercise their functions and powers, and expeditiously implement policies, laws, and administrative decrees which practically and truly reflect the basic interests of the people. So-called full operation of the "input" function means that the people can freely express their wishes and play the role of affecting the decisions of the state organs at all levels. There should be a genuine mechanism for the masses' independent participation in politics, and a mechanism of supervision and control.

The key to political structural reform lies, first of all, in separating party and government. The different functions of party and government should be clearly defined. The leadership method of the ruling party should be changed. In other words, the leadership of the party should be reflected in political leadership. In this connection, we should relevantly reform the organizational system and working organs of the ruling party. Only by institutionally defining relations between the ruling party and organizations of state power can we correctly and effectively give play to the political leadership role of the ruling party. Only thus can organizations of state power fully and effectively exercise their powers on behalf of the people. Separating government administration from enterprises, streamlining government organs, delegating power to lower levels, reforming government

institutions, reforming the cadre system, and establishing a system of consultation and dialogue are also practical and feasible measures for overcoming bureaucracy and the influence of feudalism, enhancing work efficiency, increasing vitality, and arousing the enthusiasm of various quarters.

In addition, in the process of establishing and perfecting the socialist system and strengthening the building of the legal system, it is vitally important to establish and perfect the supervisory system of the people. Whether civil servants can correctly and effectively exercise the powers entrusted to them by the people, and whether they can avoid bureaucracy lies, to a great extent, in how well the people can exercise their supervisory power. The full implementation of this supervisory power requires a perfect supervisory system, and the establishment of scientific supervisory and control mechanisms. Under present conditions in our country, direct supervision by the people can be combined with supervision by social organizations which represent the interests of various quarters and levels, and supervision by the organizations of state power. There should be a three-in-one and multilevel mechanism of supervision and control. Such supervisory and control mechanisms should include the supervisory systems of the masses, of social organizations, of public opinion, of the ruling party, of party discipline, of power, of laws, of administration, of auditing, and so on.

Under the leadership of the CPC, there is no doubt that we will push forward political structural reform so that socialist democratic politics will be gradually institutionalized and legalized. When the people's democratic system has become more perfect, there will be greater guarantees for the people to become masters of their own affairs. Under such circumstances, overconcentration of power will no longer occur, and there will be no loopholes for the pernicious influence of feudal autocracy to take advantage of.

CHINA BUSINESS NEWS Begins Publishing
OW060221 Beijing XINHUA Domestic Service
in Chinese 0219 GMT 4 Jan 88

[Text] Beijing, 4 Jan (XINHUA)—A newspaper, "ZHONGGUO QIYE BAO" [0022 0948 0120 2814 1032 CHINA BUSINESS NEWS], to be used by the State Economic Commission and the China Business Management Association for guiding business circles, published its first edition today.

The objective of "ZHONGGUO QIYE BAO" is to serve business circles. It will promptly relay the general and specific policies of the party Central Committee and the State Council regarding the development of business and enterprises, and the relevant resolutions of the State Economic Commission and the China Business Management Association; reflect the latest developments and trends in the reform of enterprises; open new forums for leaders and actual workers of enterprises to exchange

experiences and facilitate the flow of ideas; and, in light of reality, introduce and propagate new technologies and management methods from home and abroad.

"ZHONGGUO QIYE BAO" is published twice weekly, on Monday and Thursday.

Deng Xiaoping Commends Several PLA Units
OW060558 Beijing XINHUA Domestic Service
in Chinese 1302 GMT 5 Jan 88

[Text] Beijing, 5 Jan (XINHUA)—The Central Military Commission of the People's Republic of China recently issued an order to confer honorable titles on some units and an individual of a reconnaissance contingent for meritorious deeds when taking part in defensive combat in the Laoshan area.

The order, signed by Deng Xiaoping, chairman of the Central Military Commission, decided:

To confer the honorable title of "Heroic Reconnaissance Company" on the armored reconnaissance company of a certain unit;

To confer the honorable title of "Heroic Reconnaissance Company" on the reconnaissance company of a certain unit; and

To confer the honorable title of "Reconnaissance Hero" on Leng Jiesong, commander of the reconnaissance company of a certain unit.

The order of the Central Military Commission pointed out: The reconnaissance contingent taking part in defensive combat in the Laoshan area has demonstrated a high degree of patriotism and the spirit of revolutionary heroism; firmly carried out orders; strictly observed discipline; and overcome numerous difficulties. Resourceful and dexterous, brave and resolute, it has fulfilled the assigned missions with flying colors, scored remarkable battle results, and made significant contributions to the defensive combat in the Laoshan area.

The Central Military Commission's order urged all commanders and fighters in the Armed Forces to learn from them and to emulate their high political awareness of being loyal to the motherland and the people; their spirit of dedication without fear of bloodshed, sacrifice, and hardship; and their fighting style characterized by strict observance of discipline as well as resourcefulness and dexterity. The order also called on all units of the Armed Forces to earnestly implement the guidelines of the 13th national party congress and strive hard for the revolutionization, modernization, and regularization of our Army.

Li Peng Inspects Joint Venture in Shenzhen
SK060334 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 4 Jan 88

[Text] At noon yesterday, Li Peng, Standing Committee member of the Political Bureau of the CPC Central Committee and acting premier of the State Council, inspected the (Shiguang) electronics corporation, a joint venture in Shenzhen built with investment partially offered by the Jilin City radio component plant, and heard a report delivered by (Zhang Xinlin), manager of the corporation.

Comrade Li Peng called the corporation an enterprise of a technology-intensive type. Comrade Li Peng inspected the entire process of the corporation's production technologies.

After learning that 88 percent of the parts applied by the corporation to manufacture soldering-lug aluminium electrolysis apparatus have been domesticized, Comrade Li Peng pleasantly stated that realizing domesticization was an orientation. After being informed that the corporation has concentrated its major production targets on producing supporting parts for color television sets especially manufactured for exports, he said that this was good. He also spoke highly of the corporation's 1988 production plan under which 27 million yuan in output value and 25 million yuan in profits should be realized and 200,000 yuan in labor productivity should be guaranteed, after hearing a report delivered by the general manager of the corporation.

Bo Yibo, vice chairman of the Central Advisory Commission, also inspected the corporation on 26 December 1987.

Qiao Shi Promotes Reforms in Guangxi Tour
OW070206 Beijing XINHUA Domestic Service
in Chinese 1607 GMT 6 Jan 88

[By XINHUA reporter Zhang Tinggan and GUANGXI RIBAO reporter Zhang Guangqian]

[Text] Nanning, 6 Jan (XINHUA)—Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau and vice premier of the State Council, recently pointed out in Guangxi while on an inspection tour there that party committees at all levels should conscientiously implement the guidelines of the 13th party congress according to local conditions and step up party building, especially the improvement of party style, in the course of reform and opening to the outside world. While studying how to carry out reforms and open to the outside world, they should not relax their efforts to improve party style. While doing so, they should not ignore their task to ensure the smooth development of economic construction and the deepening of reform.

After arriving in Nanning on 28 December, Comrade Qiao Shi and his party met with responsible comrades of the party, government, and army organizations in the Guangxi Zhuang Autonomous Region, heard briefings by the regional party committee and people's government on their work and studies and their implementation of the guidelines laid down by the 13th party congress, and discussed with them the proceedings of a forum on party style sponsored by the Secretariat of the party Central Committee. He then inspected factories, rural villages, peasant markets, specialized markets, and police stations in Nanning City, Fangcheng Harbor, Beihai City, Yulin, Liulin, and Guilin. He visited specialized households and integrated economic establishments. He also chatted cordially with local cadres and people and asked them about economic construction and the improvement of party style.

Qiao Shi pointed out while inspecting various parts of Guangxi that in accelerating and deepening the reforms and separating the functions of the party from those of the government, the requirements set for the party are not lower but higher. As reform and the policy of opening to the outside world are further carried out, it is all the more necessary for us to strengthen party leadership and party building. In improving party style, system reform should be linked with being strict with party members. Party committees, including discipline inspection and organization departments, should conscientiously investigate and study how to start with the reform or improvement of systems in order to reduce the sources of unhealthy tendencies. At the same time, we must not, in the slightest degree, overlook the importance of being strict with party members and enforcing party discipline. He stressed: An important aspect in being strict with party members is to improve the political quality of party members; otherwise, systems and discipline, no matter how good they are, can hardly play a role they should play.

During the inspection tour, Comrade Qiao Shi put forward some views and suggestions on how Guangxi should further carry out reforms and open itself wider to the outside world.

PLA Forces Train 'Technological Backbone'
HK061309 Beijing RENMIN RIBAO in Chinese
4 Jan 88 p 4

[Report By Wang Fuli (3769 2105 3680) and Zhou Dankun(0719 2481 0981): "The PLA Armored Forces Department Has Trained More Than 100,000 Technological Backbone Elements"]

[Text] By the end of 1987, the PLA armored forces had trained a total of more than 100,000 various types of technological backbone elements. All the technological cadres in charge of repair work had been conferred the relevant technological ranks. Some 60 percent of the technological cadres had been assigned to the relevant

technological posts. The number of professional technological volunteers had increased by 100 percent compared with that of the last year.

In carrying out the training of the technological personnel, the PLA armored forces paid special attention to updating the knowledge of leading cadres. The headquarters of the PLA armored forces continuously held training classes for the leading cadres of the armored forces. The leading cadres who attended the training classes widened their range of knowledge and raised their management skills through the systematic study of modern science and modern management knowledge. Quite a number of officers at the rank of group army commander often went to the driving grounds, shooting ranges, and training grounds of the PLA tank forces to learn about tank technology and wrote articles on the technological construction of the tank forces. As a result, they gained initiative in their leadership work and greatly pushed forward the development of army construction.

Hong Kong Journal on PRC Army Leaders
HK070621 Hong Kong KUANG CHIAO CHING
in Chinese No 183, 16 Dec 87 pp 42-44

[Article by Chin Po (6855 1591): "The Rise of the Soldiers of the Second Generation"]

[Text] On the evening of 26 November 1987, Yang Dezhi, the CPC's chief of general staff, met with Lieutenant General Hosmer, president of the U.S. National Defense University, in Beijing's Great Hall of the People. On the following day, XINHUA published a reprint on a new appointment made by Chairman Deng Xiaoping of the Central Military Commission: Chi Haotian, political commissar of the Jinan Military Region will replace Yang Dezhi and take the post of chief of general staff of the PLA; Yang Baibing, political commissar of the Beijing Military Region, will replace Yu Qiuli and become director of the General Political Department; and director of the General Logistic Department Hong Qizhi will be replaced by deputy director Cho Nam Qi.

Top-level personnel changes in the three general departments of the PLA are not unexpected. However, from such great changes that took place only more than 20 days after the 13th CPC National Congress, we can see that the top level of the CPC is resolute in carrying out reform.

The Rise of the Soldiers of the Second Generation
[subhead]

Following the example of Deng Xiaoping, a number of senior leaders of the CPC have retired one after another. They are no longer members of the new CPC Central Committee. Corresponding changes have also taken place at the top level of the Army.

The leaders of the general departments of the PLA have resigned from their posts one after another. Yang Dezhi, Yu Qiuli, and Zhang Aiping have been elected members of the Central Advisory Commission and former member of the Central Advisory Commission Hong Xuezhi has quit the commission. At the same time, a number of generals who have rendered outstanding contributions have also entered the Advisory Commission, such as Liu Huaqing, commander, and Li Yaowen, political commissar of the Navy, Xiang Shouzhi, commander of the Nanjing Military Region, You Taizhong, commander of the Guangzhou Military Region, Xu Xin, deputy chief of general staff, and Wan Haifeng, political commissar of the Chengdu Military Region. All these army officers, except Wan Haifeng, received their ranks above major general long ago.

At present, the more than 20 soldiers who have been elected members or alternate members of the CPC Central Committee have all become primary leaders or deputies of various general departments and arms of the services as well as the seven large military regions. Most of them are "young and outstanding officers in the prime of life" who were promoted to senior leading posts 2 years ago (1985). The new members and alternate members of the CPC Central Committee who were elected by the CPC's National Conference of Party Delegates include: Wang Hai, commander of the Air Force, Xu Huizi, permanent deputy chief of general staff, Zhou Keyu, permanent deputy director of the General Political Department, Ding Henggao and Wu Shaozu, minister and political commissar of the Commission of Science, Technology, and Industry for National Defense, Chi Haotian, chief of general staff, Li Jiulong, commander of the Jinan Military Region, Zhao Xianshun, commander of the Lanzhou Military Region, Fu Quanyou, commander of the Chengdu Military Region, Liu Jingsong, commander of the Shenyang Military Region, Wei Jinshan, deputy political commissar of the Navy, Li Jijun, commander of a certain army of the land force, and Zhang Zhongxian, political commissar of the Guangzhou Military Region. Some army leaders, such as Zhu Guang, political commissar of the Air Force, Yang Baibing, director of the General Political Department, and Li Xuge, commander of the Second Artillery Department, are new to the outside. The youngest senior military leaders are: He Qizong, deputy chief of general staff, 44; Zhou Wenyuan, deputy director of the General Political Department, 46; and Zong Shunliu, deputy director of the General Logistics Department, 44. They are all "fresh blood" of the CPC Central Committee. The fact that they have entered or reentered the CPC Central Committee shows that the drive to make the CPC's supreme military command younger is becoming more and more mature. It also indicates the rise of the soldiers of the second generation.

A New Beginning in the CPC's Military History [subhead]

Chi Haotian, the 59-year-old new chief of general staff, is from the "Eighth Route Army." In the years of war, he

was very brave and won the title of the "People's Hero." He worked in the field army and headquarters of a military region. He is highly experienced. Cho Nam Qi, the new director of the PLA General Logistics Department, who is as old as Chi Haotian, is of Korean nationality. He was secretary of the Jilin Provincial CPC Committee and first deputy director of the General Logistics Department. He was one of the sponsors of the 200,000-kilometer coastal and border defense investigation, which inspired the whole Army in China. He is a member of both the 12th and 13th CPC Central Committees. Yang Baibing is older and more senior than Chi and Cho. They all have experience in leading the Army in war time and in peace and have received professional training. They are military cadres of the second generation who have participated in the practice of reform and opening up in the 1980's. They have modern ideological concepts and ways of thinking. They are now in the commanding posts of the Army, which were always held by the "Red Army cadres" for a long time in the past. Undoubtedly, this symbolizes the beginning of a new period in China's military history.

The "Triumvirate" of the Central Military Commission [subhead]

In China, there is an age limit for military posts at various levels. If one is overage and is still not promoted to a senior post, one has to retire. For this reason, some people said that the pace of making army cadres younger is quicker than that of local government departments. However, after the 1st Plenary Session of the 13th CPC Central Committee, public opinion held that compared with the new Standing Committee of the Political Bureau, the pace of making the power center of the Central Military Commission younger is one step slower.

Yang Shangkun, who is about 80 years old, and Qin Jiwei, who is 74, are two senior cadres of the military circles and the only two military cadres in the Political Bureau of the CPC Central Committee. It has been spread abroad that Yang Shangkun may replace Li Xiannian and become president of the state. But judging from the current developments, he still cannot leave the Army in a short period to come, because Zhao Ziyang, first deputy chairman of the Military commission, has just taken up his post, the three general departments of the PLA are in a time of new cadres replacing the old, and Yang Shangkun is holding the post of secretary-general of the Military Commission and taking charge of the work on Taiwan affairs, which is becoming more and more important now. Therefore, it is believed that someone other than Yang Shangkun will be appointed new president of the state.

In this new leading body of the Military Commission, Qin Jiwei becomes a person attracting wide attention. In age, he is as old as Yu Qiuli; in seniority, he is lieutenant general, and Yang Dezhi is general. But he continues to be member of the CPC Central Committee and is promoted from alternate member of the Political

Bureau of the 12th CPC Central Committee to member of the Political Bureau of the 13th CPC Central Committee. He will certainly shoulder heavy tasks in the Army. Qin is from Huangpi, Hubei Province. He joined the CPC in 1930. When he joined the Army, he worked in the Third Army Group of the Red Army under the leadership of Peng Dehuai and Yang Shangkun. Later he became commander of a column and an army commander of the Second Field Army under the leadership of Liu Bocheng and Deng Xiaoping. He was sent to Korea during the War to Resist U.S. Aggression and Aid Korea. After that he successively held the posts of commander of the Chengdu Military Region and political commissar and commander of the Beijing Military Region. He was the chief commander of the all-army military exercise in 1984 and chief commander of the military parade in celebration of the 35th anniversary of the founding of the PRC. What he did on these two occasions was much appreciated by Deng Xiaoping.

At the 13th CPC Central Committee, Deng Xiaoping quit the CPC Central Committee but did not resign the post of chairman of the Military Commission. Moreover, the CPC's Party Constitution was also revised for this purpose. The article that stated "the members of the Military Commission of the Central Committee are decided on by the Central Committee. The chairman of the Military Commission must be a member of the Standing Committee of the Political Bureau" was changed to "the members of the Military Commission of the Central Committee are decided on by the Central Committee. The chairman of the Military Commission does not necessarily have to be a member of the Standing Committee of the Political Bureau." Relevant sources said that Deng Xiaoping selected the "status of semi-retirement" because he had been thus persuaded by his "inner-party comrades" again and again.

Xu Xiangqian and Nie Rongzhen Continue To Be Vice Chairmen of the Military Commission [subhead]

To show that the principle of the party commanding the gun is not changed, the 1st Session of the 13th CPC Central Committee decided that Zhao Ziyang be appointed first deputy chairman of the Military Commission. There are no other personnel changes in the Military Commission. The two marshals, Xu Xiangqian and Nie Rongzhen, who quit the CPC Central Committee 2 years ago, continue to hold the post of vice chairmen of the Military Commission. From this we can see clearly that Deng Xiaoping is still attaching great importance to military power. The reason he continues to hold the post of chairman of the Military Commission is that he wants to create a favorable environment for Zhao Ziyang to command the army.

Hu Yaobang, former general secretary of the CPC Central Committee, once said that in the Army there is always a habit of considering things in light of seniority. A matter can be settled when Comrade Xiaoping says one word, but for us, we have to say five. Although Zhao

Ziyang is now working with military leaders as at his level of seniority or below, the special nature of the Army has decided that the changes in the army's leading body cannot be too fast. For the long-term interests, this interim measure of Deng Xiaoping is quite necessary.

Political Reform in the Army Will Certainly Attract People's Attention [subhead]

Over the past few years, the Chinese Army has carried out a series of reforms, which have brought about great changes in the Army.

First, there has been a strategic change in guiding ideology, that is, changing from the status of war preparedness "like an arrow on the bowstring" to peacetime construction.

Second, a large-scale disarmament has been carried out, cutting down about 1 million troops and dismissing four large military regions and more than 4,000 army, division, and regiment organs.

Reform has also been carried out in the establishment of the Army. Group armies as well as the air units of the Land Force and Marine Corps have been established.

In the technological field, electronic and laser technologies and automatic command system have been popularized in modern training.

In the training of military officers, the quality of military officers has been increased and the three-grade training system of army schools has been improved. The system of promoting army officers through examination has been implemented.

Some military organs, such as army hospitals, airport, railways, communication lines, warehouses, repairing shops, and military supply factories, have been opened to the public.

There have also been some other unprecedented innovations such as turning production of military supplies into production of civil products and taking the road of "combining the Army with the people" in developing national defense scientific research and industry.

These reforms have smashed the closed-up structure of the Chinese Army. Through these reforms, the internal vitality of the Army has been strengthened, the morale of both officers and men has been boosted, and the fighting capacity of the Army has been enhanced. The reforms have also supported the economic construction of the state and changed the image of soldiers, which was distorted during the "Cultural Revolution."

However, the power of the Army is always highly centralized. Moreover, in China, the army's headquarters, political department, and logistics department have their

respective and definite powers and responsibilities. Thus, people will certainly be interested in the question of how the reform of the political structure is carried out within the Army.

Political Reform in the Military Circles Will Start Soon
[subhead]

It has been learned that preparations were made long ago for political reform within the Chinese Army. The General Political Department has made a great deal of investigations on the situation of cadres and military officers at various levels, the situation of soldiers in service, and the situation of grass-roots organizations. Taking as reference the army establishments and structures of other countries as well as their management and military ranks systems, it has also worked out an initial plan for reform of the cadre system of the whole Army. At present, in order to carry out the system of scientific management, efforts are being made to work out a series of rules and regulations, such as the "Regulations on Military Officers in Service," "Regulations on Military Ranks," "Provisional Regulations on Non-military Personnel," "Regulations on Administration of Students of Military Schools," "Regulations on Soldiers in Service," and "Regulations on Reserve-Duty Military Officers." Some of them will be submitted to the Seventh NPC next year (1988) for discussion and approval.

Establishing a system of democratic consultation is a matter of great interest for army companies at the grass-roots level. Democracy in the Army is mainly expressed in the political, military, and economic affairs. If any problems appear in any of the three fields, the relations between officers and men and the morale of soldiers will inevitably be affected. In modern times, soldiers have a strong sense of democracy. They want to participate in army administration. Therefore, some people said that to the Chinese Army, which has always relied on ideological and political work, democracy is undoubtedly a "trump card" it has finally found.

Many people inside and outside the Army are also talking about separation of party and government in the Army. Some said that since there is a definite division of work between party and government organs in the Army, the problem does not exist there. Some others said that since the founding of the Army, the CPC has been implementing the principle of "the party commanding the gun," and this principle has not been changed, therefore, the "government" power in the Army cannot override the "party" power. Still some others said that separation of party and government is suitable for the high- and medium-level leading organs of the Army, because if the leading organs exercise rigid control over the grass roots, the latter will have no decisionmaking power. At present, investigation and study are being carried out within the Army on the content of this political reform. However, there is one point in common among most people, that is, separation of party and government can be applied in army schools, factories, and hospitals.

Zhao Ziyang pointed out in his report that the situation of the Army is different from that of local units. The arrangement for reform will be studied and decided on by the Central Military Commission. Militarization and centralization of power are specific characteristics of the Army. Therefore, when working out a general plan for reform in the Army, it is necessary to attach greater importance to macroscopic control. When implementing the plan, it is necessary to make some experiments before it is popularized from above to below in an organized manner. In local reforms, economic levers are emphasized. However, in the Army, it is impossible to adopt the method of "contract." In army reform, it is necessary to rely on the sense of responsibility and conviction of soldiers and various other spiritual factors. At present, it is said that both officers and men of the whole Army are conscientiously studying the report at the 13th CPC National Congress so that they can "understand the spirit of the report" and "deepen their understanding of reform." This is a new trend of the Chinese Army.

Table of All Previous Directors of the PLA General Political Department [subhead]

Name	Title of Post	Tenure of Office	Remarks
Luo Ronghuan	Director of the General Political Department of the People's Revolutionary Military Commission of the PRC	Oct 1949 to Nov 1954	deceased
Luo Ronghuan	Director of the General Political Department of the PLA	Nov 1954 to 1956	deceased
Tan Zheng	Same as above	1956-1959	dismissed from office due to "case of the Peng Dehuai," deceased
Luo Ronghuan	Same as above	1960-1963	deceased

Name	Title of Post	Tenure of Office	Remarks
Xiao Hua	Same as above	1963-1967	dismissed from office due to offending Jiang Qing, Lin Biao during "Cultural Revolution," deceased
Li Desheng	Same as above	3 Oct 1971 to Jan 1974	now member of the Standing Committee of the Central Advisory Commission
Zhang Chungiao	Same as above	Feb 1974 to Oct 1976	arrested on 6 Oct 1976
Wei Guoqing	Same as above	Mar 1977 to Jun 1982	now vice chairman of the NPC
Yu Qiuli	Same as above	Jul 1982 to Nov 1987	now member of the Standing Committee of the Central Advisory Commission
Yand Baibing	Same as above	Nov 1987 to date	Yang Shangkun's younger brother

Report on Executions, Law, Order Measures
HK051344 Hong Kong AFP in English
1246 GMT 5 Jan 88

[By Patrick Lescot]

[Text] Beijing, Jan 5 (AFP)—The recent execution of 17 people in China reaffirms China's determination to uphold law and order at all cost, Western diplomats here said.

On Christmas Day, 22 people were publicly tried and convicted of crimes including murder, rape and robbery in Shenyang in northeastern Liaoning Province, according to the text of a Shenyang radio broadcast reaching Beijing recently.

Seventeen of the convicted criminals were immediately executed by a shot to the nape of the neck and the other five sentenced to life imprisonment or lesser terms.

A wave of executions preceded the Communist Party's 13th congress in October, including eight in one day here in September, six in Shanghai, and four in October in Shanghai and Zhejiang.

Most of the executions followed public trials witnessed by up to 20,000 people and often aired on prime-time television in an apparent attempt to teach by example, observers said.

The party congress is usually preceded by a crackdown on offenders to emphasise the authorities' determination to deal firmly with crime, which has seen a resurgence in China since the launching of the country's open-door policy in 1978, observers say.

But diplomats rule out the possibility of a return to the 1983-style campaign of public executions, during which at least 10,000 people were killed within a few months, because of the damage it did to China's image abroad.

China's top leader Deng Xiaoping, a staunch advocate of the death penalty, told a Politburo meeting in January 1986 that capital punishment "cannot be abolished" in China.

Mr. Deng said he favoured the death penalty for hardened criminals, corrupt officials responsible for heavy financial losses to the state, and owners of prostitution houses which have made a comeback in the southern provinces.

At the same time, China's communist regime is trying to instil notions of legal rights among the people and in institutions which are still reeling from the total breakdown of the judicial system during the 1966-76 Cultural Revolution, observers say.

But the efforts are mainly geared towards trade, urging universities to train lawyers capable of negotiating international contracts, diplomats say.

The resurgence of delinquency and crime, in contrast with the propaganda image of a "clean" China during the Maoist era, has also been attributed to economic difficulties faced by young people looking for jobs in the cities, and to the relaxation of the regime's "social control" over the population, diplomats say.

The new private sector, often accused of being the breeding ground of delinquency, accounts for some 20 million of the country's one-billion-strong population, observers say.

Citizens Benefit From Public Security
OW060015 Beijing XINHUA in English
1323 GMT 5 Jan 88

[Text] Beijing, January 5 (XINHUA)—Public Security Minister Wang Fang today ordered China's public security organs at different levels to rigidly punish public order offenders and safeguard the rights of citizens.

He was speaking at a symposium on the implementation of China's new regulations governing offences against public order, which took effect as of January 1, 1987.

It is learned that in the first 11 months of 1987, the public security organs dealt with 102 million acts against the regulations and punished 186 million offenders.

The regulations governing offences against public order involve mainly misdemeanors.

In the first 11 months last year, the country's public security organs dealt with 9340 appeal cases, accounting for 0.05 percent of the total cases. Among them, 2,605 sentences were reduced or quashed.

Nearly 100 policemen received disciplinary action.

People attending the symposium, including workers, bus conductors, drivers, shop assistants and school teachers, held that the regulations had effectively safeguarded the rights of the citizens and punished the offenders properly.

Commerce Minister Discusses Outlook for 1988
OW060111 Beijing XINHUA in English
1211 GMT 5 Jan 88

[Text] Beijing, January 5 (XINHUA)—China's domestic market will be busy and prosperous in 1988, and those few commodities that had been in rather short supply will gradually increase, Liu Yi, Chinese minister of commerce, said here today.

At a conference for commerce officials, Liu said that China's production level and its aggregate sales had increased, and that people's demands for commodities were also growing. However, it will still be some time, he added, before production capabilities can be raised sufficiently and the commodity market structure properly adjusted.

The minister said that this year's work should be concentrated on furthering the reforms with regard to enterprises and improving their management and services. He said China should make great efforts to realize economic, market and price stability.

Liu Yi reminded the attendants to pay close attention to the supply of major commodities. The state should provide maximum profit quotas for various goods with non-fixed prices to prevent random price hikes.

He said that reform should be quickened in the state-run enterprises and the rural supply and marketing cooperatives. The responsibility system should be continued in big and medium-sized commercial enterprises, and the leasing system applied to small enterprises. Supply and marketing cooperatives should be run by the local people, and offer beneficial services to farmers.

Commentator on Need for Scientific Personnel
HK060747 Beijing NONGMIN RIBAO
in Chinese 8 Dec 87 p 1

[Commentator's article: "Our Slogan: Willing To Go Down and Willing To Come—Comments on Scientific and Technological Personnel Going to Township and Town Enterprises"]

[Text] After years of hard work, our country has built over 15 million township and town enterprises. As far as their output value, production output, and the taxes they pay are concerned, the township and town enterprises have become an important component of our country's national economy and the mainstay of our country's rural economy. It is more significant that the development of the township and town enterprises has narrowed the gap between our country's urban and rural areas and has taken the new path of modernization with Chinese characteristics. Therefore, development and expansion of township and town enterprises have now become an irresistible trend in our country. We should see that the township and town enterprises developed rapidly a few years ago. However, over the past 2-years, the production output and production cost of the township and town enterprises have tended to rise while their profit rate has tended to drop. Why? One of the important reasons is that the township and town enterprises lacked qualified personnel and advanced technology, equipment, and management methods. For example, there are only some 1,300 scientific and technological personnel among more than 810,000 staff and workers in some 17,000 township and town enterprises in Beijing, which is thought to have a huge number of scientific and technological personnel. So, in order to increase their economic results, the township and town enterprises must attract and employ more scientific and technological personnel. This is not only the historical choice of the township and town enterprises but also the historical mission of our country's scientific and technological personnel.

There are now over 15.4 million scientific and technological personnel of various types in our country. However, these scientific and technological personnel are irrationally distributed throughout the country. On the one hand, scientific and technological personnel are over-concentrated in some fields and their mobility is strictly controlled by the departments in charge of qualified personnel; on the other hand, the main economic construction fields (including the township and town enterprises) still lack scientific and technological personnel. According to estimates of the relevant departments, our country's township and town enterprises will need at

least 660,000 scientific and technological personnel by 1990. By the end of this century, our country's township and town enterprises will need over 2 million scientific and technological personnel of various types. Therefore, to rationally transfer scientific and technological personnel to township and town enterprises has become an important task which brooks no delay.

However, the present situation is that many scientific and technological personnel "are unwilling to go down and unwilling to come" to the township and town enterprises. In order to turn scientific and technological personnel from "being unwilling to go down and unwilling to come" to "being willing to go down and willing to come" to the township and town enterprises, we must clear away some obstacles. What are these obstacles?

"When the township and town enterprises are in trouble, they will ask qualified personnel in the urban areas to help them." This vague understanding should be discarded. The township and town enterprises are an important part of our country's national economy. The township and town enterprises of our country now desperately need scientific and technological personnel. The township and town enterprises are the battlefield for all scientific and technological personnel. How can we say that scientific and technological personnel need to help the township and town enterprises only when they are in trouble? Enabling a large number of scientific and technological personnel to go to work in township and town enterprises is not an impetuous action taken by some individuals or small groups who are trying to seek their immediate interests. Enabling a large number of scientific and technological personnel to go to work in township and town enterprises is the historical trend propelled by our country's internal economic factors.

We should also see that the leaders of some departments worry about scientific and technological personnel going down to work in township and town enterprises. These leaders fear that once the scientific and technological personnel go down to work in township and town enterprises, the "rich warehouse of qualified personnel" they have so far maintained will collapse. They fear that scientific and technological personnel who go to work in township and town enterprises will become their opponents and that the scientific and technological personnel going to work in the township and town enterprises and getting higher wages will affect the stability and ideology of the scientific and technological personnel who still work in their departments. They also have various other worries. These are narrow views concerning interests. These views have been fostered by the departments in charge of scientific and technological personnel. If we discard these narrow views, scientific and technological personnel will be willing to go to work in the township and town enterprises. Isn't it true that the departments in charge of qualified personnel should at least allow those qualified personnel who have nothing to do in their own

departments at present but who are desperately needed by the township and town enterprises to go to work in the township and town enterprises?

Another view that should be discarded is that some scientific and technological personnel are willing to work in the township and town enterprises, but at the same time, they are afraid of losing their "iron bowls." They are particularly worried about other people criticizing them by saying that their purpose in going down to work in the township and town enterprises is to "make big money." Therefore, some scientific and technological personnel still have reservations about going to work in the township and town enterprises. We can see no reason why scientific and technological personnel should not get reasonably higher incomes.

All these facts show that in order to mobilize a large number of scientific and technological personnel to go to work in the township and town enterprises, we should first of all overcome the ideology of equalitarianism, smash all the personnel systems practiced by the departments in charge of qualified personnel, and remove all the barriers to enable a large number of scientific and technological personnel to go to work in the township and town enterprises. We should foster the ideology of respecting and bringing into full play the role of qualified personnel and change our past indifferent attitude toward the wasting of qualified personnel. We should foster such an ideology so that scientific and technological personnel will think it glorious to go to work in the township and town enterprises. We should discard the ideology of "equalitarianism" regarding the distribution of interests and create a favorable social environment in the urban and rural areas so that scientific and technological personnel will "be willing to go down and willing to come" to work in the township and town enterprises. At present, we should make particular efforts to encourage scientific and technological personnel to take up part-time posts in township and town enterprises and make increased efforts to formulate and implement the relevant policies in order to protect their legitimate rights and the legitimate rights of the units in which they work full or part time.

Our slogan: Willing to go down and willing to come. Now, the township and town enterprises are issuing a call to the broad masses of scientific and technological personnel! We firmly believe that the broad masses of scientific and technological personnel will heed this call.

Ports Prosper Despite World Shipping Slump
OW060420 Beijing XINHUA in English
0246 GMT 6 Jan 88

[Text] Beijing, January 6 (XINHUA)—China's ports last year handled a record number of domestic and foreign ocean-going ships and volume of cargo, defying a continuing recession in the world shipping market, "CHINA DAILY" reported today.

More than 37,530 ocean-going vessels called at Chinese ports last year, with a total cargo volume of 142 million tons.

The figure is an all-time high since the China Ocean Shipping Agency was established in 1953.

As a result, the agency has made a record profit, about 25 percent higher than in 1986.

The state-run agency, which has a monopoly of various port services for all Chinese and foreign ocean-going ships, did not disclose its exact profit, but a senior official said it had become one of the country's main earners of hard currency in international transportation.

Originally called the People's Navigation Company and still known as Penavico for short, the agency has established close links with 1,061 shipping companies in more than 150 countries and regions, apart from its frequent contacts with many firms throughout the world in the fields of industry, commerce, transport and insurance.

Despite the worldwide shipping slump of the past few years, Penavico, spurred by the nation's open policy and increasing foreign trade, has seen a startling growth in port business since 1980.

On average, it handles 36,000 ocean-going ships and 140 million tons of cargo every year, increases of 230 and 550 percent respectively over the early 1950s.

Penavico has, in fact, become one of the leading ocean-going agencies in the world, said Chen Zhongbiao, deputy general manager of the agency.

Chen said great efforts had been made to upgrade port facilities to improve Penavico's services, which range from logging a ship's entry and departure to making arrangements for loading and discharging, from collecting and transporting cargo to recruiting Chinese crews and facilitating communications.

A computer system has helped link Beijing-based Penavico with its 43 branches across the country. To strengthen overseas business and contacts with the ships

on the high sea, modern telecommunication devices have been widely used by Penavico and its branch agencies, including telex, cables, facsimile transmission and mobile telephones.

Efforts have also been made by Penavico to expand its international "door-to-door service". It has contracted with Japan, the United States, Hong Kong and 29 other countries and regions for a vast overseas network of trains, barges and trucks to offer customers fast transportation.

With the rapid development of China's foreign trade, which reached about 80 billion U.S. dollars last year, Cao Zang, general manager of Penavico's business department, predicts that more Chinese and foreign ocean-going ships will call at China's ports with larger amounts of cargo in the next few years.

Prices To Stabilize Prices During Festival

*OW052347 Beijing XINHUA in English
1527 GMT 5 Jan 88*

[Text] Beijing, January 5 (XINHUA)—The State Administration for commodity prices has called for work to stabilize prices during the Spring Festival shopping spree, XINHUA learned today.

This year's Spring Festival falls on February 17 and, as always, it will be an occasion of family reunion and feasts.

With the approval of the State Council, the administration has asked central departments and local governments to ensure that prices, especially prices of vegetables and meats, will be basically stable.

State-owned commercial units should increase supplies to the festival market. At the same time, there should be appropriate differentials for wholesale and retail sale prices to prevent profiteering by middlemen.

The administration has also proposed price checks before and after the festival to timely deal with cases in which prices are raised and fees charged illegally.

East Region

Jiangsu Secretary on Export-Oriented Economy
OW061307 Shanghai JIEFANG RIBAO in Chinese
30 Dec 87 p 1

[By special reporter Zhu Zhenglun and reporter Zhang Yeping]

[Text] Glad tidings were reported in Jiangsu toward the end of the year—the province's gross industrial and agricultural output value for 1987 is expected to exceed 170 billion yuan, or over 17 percent more than last year, topping other provinces in China for the sixth consecutive year. Upon hearing the good news, reporters rushed to Nanjing for an interview with Han Peixin, secretary of the Jiangsu Provincial Party Committee, on the strategy for Jiangsu's economic development.

We began our interview with General Secretary Zhao Ziyang's recent inspection tour of the Chang Jiang Delta. Han Peixin said: During the inspection tour, Comrade Zhao Ziyang put forth a strategic idea; that is, it is necessary for the coastal regions, particularly the Chang Jiang and Zhu Jiang Deltas, to develop an export-oriented economy by tapping the potentials and making good use of the cheap labor force and flexible operational mechanisms of village and township enterprises to produce labor-intensive commodities, to increase exports, exchange goods in the international market, and join international commodity circulation, thereby spurring the development of the domestic economy. This new strategy put forth by Comrade Ziyang points out the direction and focus of the work in developing the economy of the coastal regions, as well as the way for Jiangsu to scale new heights in its economic construction.

Han Peixin said: To develop an export-oriented economy is an objective demand for Jiangsu in scaling new heights in its economic development. Jiangsu, a province with the processing industry as the pillar of its economy, used to rely on other localities for "both ends;" i.e., for the supply of raw materials and as a market for its finished products. However, the situation has changed drastically. With the processing industry developing rapidly elsewhere in China, where the raw and semi-finished materials originate, their supply has become increasingly acute. Moreover, along with industrial development the interior areas have improved their product quality, thus enhancing Jiangsu's competition with them in the limited domestic market. Therefore, in order to meet the challenge of further developing and upgrading its economy, it is essential for Jiangsu to aim at the international market, rely on abroad for both supply of raw materials and markets for finished products, take part in international exchanges, and join the competitive international market.

Han Peixin said: There are several favorable factors for Jiangsu to develop an export-oriented economy. So far, about half of the province's labor force has left farming

to engage in other production; in Suzhou, Wuxi, and Changzhou Prefectures alone, about 70 percent of the labor force has been shifted to the second and tertiary industries. The economic advances achieved by Jiangsu in the past 9 years of reform explain that we can and must go all out to vie for international markets and take part in the international division of labor.

Turning to the strategy for Jiangsu's future economic development, Han Peixin said: It is imperative to pay keen attention to raising economic efficiency and, while consolidating and improving agriculture, achieve "breakthrough in the two fields" (to gradually shift the emphasis from extensive management to intensive management and from a domestically-oriented economy to an export-oriented economy), that is, to achieve an "economic shift and transformation." The key link of the work at present and for some time to come is to actively develop an export-oriented economy by energetically increasing exports and promoting scientific and technological advances to optimize the economic structure as a whole, thereby forming a healthy cycle of "increasing exports to earn more foreign exchange, introducing advanced technologies to increase exports."

Han Peixin attributed Jiangsu's economic achievements in recent years to Shanghai's cooperation and support. He said: As Shanghai possesses better economic and technological foundations and maintains close ties with Jiangsu, it is necessary for us to step up cooperation with Shanghai in developing an export-oriented economy and to upgrade our science and technology by utilizing Shanghai's science, technology, and foreign trade port in jointly striving for the economic construction of the Chang Jiang Delta. He hoped that after JIEFANG RIBAO increases the space of edition, it will play an even greater role in spreading the information for economic exchange in the Shanghai Economic Zone and increasing ties between Jiangsu and Shanghai.

He added: The current situation is excellent, but we are also confronted with new difficulties and challenges from the inside and outside. To continue to rank first in China in gross industrial and agricultural output value, we must keep our head cool and make relentless efforts to achieve new progress in the coming new year.

Shandong CPPCC Standing Committee Meeting
SK070457 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 6 Jan 88

[Text] The 24th Standing Committee meeting of the Fifth Provincial CPPCC Committee opened in Jinan on 6 January. Major items on the agenda of this meeting are to discuss and approve a report on the work of the Standing Committee of the Fifth Shandong Provincial CPPCC Committee, and a report on the motions work given by the Motions Work Committee; to affirm the namelist of the members readjusted after consultation at meetings of the chairman and vice chairmen which were held after the 23d Standing Committee meeting of the

Fifth Provincial CPPCC Committee; to discuss the matters related to the preparations for the 1st session of the Sixth Provincial CPPCC Committee; and to hear a report by Provincial Vice Governor Tan Qinglian on the province's urban construction and construction of key projects.

Li Zichao, chairman of the provincial CPPCC Committee, presided over the meeting. Zhou Xirong, vice chairman of the provincial CPPCC Committee, delivered a speech explaining the preparations for the first session of the Sixth Provincial CPPCC Committee. Zhou Zhenxing, director of the United Front Work Department of the provincial party committee and vice chairman of the provincial CPPCC Committee, delivered a speech explaining the readjustments of the members of the Sixth Provincial CPPCC Committee, and the proposed namelists of the members of the Presidium and the secretary general of the first session of the Sixth Provincial CPPCC Committee.

Attending were vice chairmen of the provincial CPPCC Committee: Xu Meisheng, Guo Yicheng, Zhang Weicen, Xu Wenyuan, Kong Lingren, Ding Fangming, Zheng Weimin, Jin Baozhen, Liu Yong, and Yang Da.

Shanghai Mayor Attends New Year Celebration
OW070038 Shanghai WEN HUI BAO in Chinese
1 Jan 88 p 1

[By reporter Xu Guoying]

[Excerpts] At midnight yesterday the Shanghai Exhibition Center was saturated with a jubilant air as the sons and daughters of the Chinese nation and their foreign friends gathered together to hear the bell ring at 0000 on 1 January 1988, and ushered in, with food, games, and other entertainment, the year of the dragon, as well as a year to promote tourism, at a gala party. Jiang Zemin, secretary of the municipal party committee and mayor, extended best wishes for a happy new year to the guests at the party. [passage omitted]

Attending the party were a total of some 1,600 people, including leaders of the Shanghai Municipal CPC Committee, the municipal Advisory Commission, the municipal People's Congress, the municipal government, the municipal CPPCC Committee, and PLA units; foreign diplomats and their families; experts and scholars from other countries; and people from all walks of life in Shanghai. Liu Zhenyuan, vice mayor and chairman of the committee on the gala party, said: "Some 760,000 foreign tourists have visited Shanghai since the beginning of 1987, up 15 percent from the same period last year, or a sixfold increase over 9 years ago. More tourists are expected to visit Shanghai in 1988, the year of the dragon, which is a traditional symbol of the Chinese nation. It is hoped that all trades and professions will support and show concern for the promotion of tourism

so that Shanghai will become a tourist attraction in the Pan-Pacific region." The National Tourism Administration sent a message of greetings to the gala party. [passage omitted]

Delivers Address

OW070030 Shanghai WEN HUI BAO in Chinese
1 Jan 88 p 2

[New Year's message by Jiang Zemin, mayor of Shanghai Municipality, on 1 January 1988]

[Text] Dear municipal residents:

As we usher in a new year, let us exchange greetings. May I wish all of you a Happy New Year!

In the past year, the people of Shanghai, while concentrating their efforts on expanding productive forces, have adhered to the four cardinal principles; persisted in the reform and open policy; and unfolded the campaign to increase production, practice economy, raise revenue, and reduce expenditures in continuously overcoming difficulties in the course of reform and scoring achievements in economic and social development. The progress, which did not come easily, has doubled our delight in ringing out the old year and ringing in the new.

Shanghai is at a crucial point of development. The new year will be a year of hope and vitality, as well as a year of severe tests. The major task facing us is to further stabilize the economy and deepen the reform by bringing into full play Shanghai's advantages and potentials and developing the economy through upgrading science and technology, enforcing the contracted responsibility system in enterprises, and developing an export oriented economy to enable Shanghai to advance with full speed.

The 13th CPC National Congress has pointed out the direction for our continuous advance. Shanghai will score even greater successes in the coming year. Inspired by the spirit of the 13th CPC National Congress, we will strive to achieve new victories with one heart and one mind and in a pioneering spirit.

Thank you all!

Central-South Region

Hunan's Mao Zhiyong Urges Developing Chenzhou
HK070231 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 7 Jan 88

[Text] Provincial Party Committee Secretary Mao Zhiyong said to leading comrades of Chenzhou Prefecture on 6 January that as this prefecture is faced with the situation of Guangdong's all-round opening up, it should adopt a strategy of confronting opening up with opening up and applying opening up to stimulate development.

To invigorate Chenzhou's economy and narrow the gap between it and Guangdong, it is essential to have firm confidence, be bold in pioneering, and speed up and deepen the reforms.

Comrade Mao Zhiyong, accompanied by responsible persons of the provincial party committee departments concerned, made an on-the-spot inspection and study of Anren, Yongxing, Zixing and other counties and cities from 2 to 6 January, bearing in mind the question of how to open up the province's southern gateway and invigorate Chenzhou's economy. After listening to reports delivered by responsible persons of some counties and cities and of the prefectural party committee and commissioner's office, Mao Zhiyong fully affirmed the prefecture's achievements in economic construction in recent years, and also pointed out that Chenzhou constitutes the gap between Hunan and Guangdong.

Mao Zhiyong said that, subjectively speaking, this gap is mainly expressed in the following respects: 1) Our minds are not emancipated as well as in Guangdong. This is reflected in the fact that we lack boldness and dare not create new things in reform. 2) We have failed to make sufficient study of the party and state policies, with the result that we do not make sufficient, good, and lively use of the existing policies. 3) Our degree of opening up is not great enough, and we have not made full use of the international and domestic markets to develop commodity economy. Some places are still shackling themselves and even erecting obstacles. This does not help the development of commodity economy. 4) The cadres at all levels lack the knowledge and ability for organizing commodity economy. To narrow these gaps, our thinking must be more lively, our policies more relaxed, and our methods of greater variety.

How should Chenzhou, and indeed the whole province, go about confronting opening up with opening up and liveliness with liveliness? Mao Zhiyong said that at present we must do a good job of studying the 13th party congress documents, conduct education in the basic line in the initial stage of socialism, launch a discussion on the criterion for productive forces, enhance our thinking, and unify our understanding. In the economic structure, we should work hard to explore and establish an economic setup full of vitality and vigor that is suited to the development of outward-facing economy. In the product mix, we should take aim at the international and domestic markets by developing products with Chenzhou characteristics and improving the capacity for earning foreign exchange. In opening up to the world, we must genuinely throw the doors wide open, expand the scope of opening up, and succeed in opening up to foreign countries, other provinces, and to other parts of Hunan. The prefecture should establish a pattern of all-round and multifunctional opening up.

Mao Zhiyong stressed that to get a good grasp of these aspects, it is first necessary to get a good grasp of agriculture. This is the foundation of stabilizing the

economy and the prices. Based on Chenzhou's actual conditions, it is necessary to grasp grain, pigs, tobacco, forestry, fruit, and fiber crops. It is necessary to seriously study the policies for stimulating development in these sectors. In industry, Chenzhou Prefecture should, while invigorating its large and medium enterprises, focus on vigorously supporting and developing urban collective and individual enterprises, township and town enterprises, household enterprises, and enterprises run by combinations of households. Chenzhou has rich coal resources. So long as the state's resources are not affected, we should encourage and support the operations of township-run coalmines.

In developing collective enterprises, we should encourage the development of joint stock enterprises and use the methods of holding shares, paying dividends, and substituting labor for capital to attract capital.

Mao Zhiyong also gave some important views on bringing in foreign investment and attracting and keeping science and technology talent.

Southwest Region

Sichuan Secretary on 'Social Order Problems'

HK070143 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 7 Jan 87

[Text] According to SICHUAN RIBAO, provincial party committee Secretary Yang Rudai spoke yesterday at the fourth provincial meeting to exchange experiences and study theory in the comprehensive treatment of social order problems. Discussing the question of how to do a good job in political and legal work in the new situation of reforms and opening up, he particularly stressed that it is essential to persist in taking service for economic construction as the central task of political and legal work and regard assurance and stimulation of the development of the productive forces as our starting point and as the criterion for testing the work.

Yang Rudai stressed that in the initial stage of socialism, it is necessary to correctly handle contradictions among the people, protect the legitimate interests of the masses, and strengthen the concept of the people's democratic dictatorship. This is an extremely important issue in upholding stability and unity.

He said: Raising the correct handling of contradictions among the people and the protection of the masses' legitimate interests to an important position certainly does not mean that dictatorship over the enemy and the crackdown on criminal elements can be weakened. The political and legal organs must continue to shoulder the task of cracking down on all hostile elements who sabotage our country's socialist system. They must punish economic and other crimes according to law. They must ban and put a stop to prostitution, drug addiction,

gambling, the distribution of pornographic tapes and publications, and other criminal activities that harm the people, and uphold law and order in society.

Northeast Region

Heilongjiang's Sun Weiben Opens Exhibition

SK070535 Harbin Heilongjiang Provincial Service
in Mandarin 1000 GMT 5 Jan 88

[Text] A calligraphic and painting exhibition which displayed the aged people's study and creation of calligraphy, painting and artistic achievements in the province, opened today at the provincial calligraphic activity center in Harbin.

A total of 403 works were exhibited. These works were diversified in theme and rich in content, reflecting the pursuit of art, ideology and sentiment of the old people.

Sun Weiben, secretary of the provincial party committee and honorary president of the provincial calligraphic and painting research society for the aged, and Zhao Dezun, a retired veteran cadre, cut the ribbon to mark the opening of the exhibition.

Heilongjiang Standing Committee Meeting Opens

SK070639 Harbin Heilongjiang Provincial Service
in Mandarin 1000 GMT 5 Jan 88

[Text] The 31st Standing Committee meeting of the 6th Heilongjiang Provincial People's Congress opened in Harbin today.

The main tasks of this meeting were to discuss and determine the specific matters concerning the convocation of the first session of the Seventh Heilongjiang Provincial People's Congress, to discuss and adopt draft regulations for Heilongjiang Province's townships of minority nationalities, and matters on the appointment and removal of personnel.

Li Jianbai, chairman of the provincial People's Congress Standing Committee, presided over this morning's meeting. Chen Yuanzhi, Lu Guang, Wei Zhimin, Wang Jinling, Liu Huixian, Wang Pili, Wang Jun, He Shoulun, and Zhang Ruoxian, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting. Vice Governor Chen Yunlin; Zhang Li, president of the provincial Higher People's Court; and Jia Chengwen, chief procurator of the provincial People's Procuratorate, attended the meeting as observers.

During this morning's meeting, the committee members first heard Vice Chairman Zhang Ruoxian's report on the preparations for the convocation of the first session of the seventh provincial People's Congress and an explanation of the draft agenda. The committee members voted by clapping hands and adopted a resolution on the date of convening the first session of the Seventh Heilongjiang Provincial People's Congress; heard and adopted Vice Chairman Wang Pili's report on the credentials of deputies to the seventh provincial People's Congress; heard Vice Chairman Wang Jun's explanation on the suggested namelists of presidium, and secretary general of the first session of the seventh provincial People's Congress; and heard an explanation by (Zhang Wenlin), vice chairman of the Nationalities Committee, on suggestions to revise the draft regulations for townships of minority nationalities.

The guidelines of the 7th provincial People's Congress will be: To take the guidelines of the 13th party congress and the 8th enlarged plenary session of the 5th provincial party committee as guidance, and adhere to the basic line of the party during the initial stage of socialism to further emancipate minds and mobilize the people of various nationalities throughout the province to stabilize the economy, deepen reform, and strive to accomplish all tasks in 1988.

The 31st Standing Committee meeting of the 6th Heilongjiang Provincial People's Congress decided today that the 1st session of the 7th Heilongjiang Provincial People's Congress will be held in Harbin on 15 January.

Mayor Sends New Year Message to Taiwan
OW060501 Shanghai Voice of Pujiang in Mandarin
1000 GMT 1 Jan 88

[Shanghai Mayor Jiang Zemin's New Year Message from the "News Program"—recorded]

[Text] Dear countrymen in Taiwan, and people of Shanghai in Taiwan:

Today, fellow countrymen on both sides of the strait jubilantly ushered in the new year, 1988, which is the Year of the Dragon according to the Chinese tradition. On this auspicious day, as people throughout the whole world celebrate, the Voice of Pujiang has come into being. Here, through this radio station, and in the name of the 12 million people in Shanghai, I would like to extend my new year's greetings to the 19 million fellow countrymen in Taiwan and to people of Shanghai origin in Taiwan. I wish you health and happiness.

Last year, 1987, was an unusual year for countrymen on both sides of the strait. In that year, our compatriots on Taiwan realized their long dream of visiting their families on the mainland. Thus, even the vast sea cannot separate the close ties of our countrymen, whose excitement for returning home has not been erased by long years of separation. During the new year, we expect even more compatriots coming from Taiwan to visit their families in Shanghai. In this Year of the Dragon, let us, descendants of the Dragon, reunite and enjoy happy family life in our ancestral homes.

An ancient saying says: People will look at a gentleman with special reverence when he returns even after having been gone for only 3 days. Is this not also true of our hometown? In the thirty-eight years that have elapsed since 1949, what sort of changes have occurred in Shanghai? If you take a walk in town, you will notice that formerly crooked streets have been straightened; narrow ones have been broadened; new and broad thoroughfares have been built in places where there were no roads at all; and new, high rises can be seen everywhere in the city, dwarfing what used to be the tallest building in Shanghai, the International Hotel. New bridges straddling the Suzhou River have been built, and two new tunnels have been built under the Huangpu Jiang. In what used to be slum districts, like Sanguan Lane and Wushui Lane, new workers' villages have been built. What used to be a smelly sewer, Zhaojiabang, has now become a scenic street. The horse racing track has now become the People's Park and the Shanghai Library. With the completion of the new Shanghai Railway Passenger Station, which is a first-rate railway station, the old railway station has become a secondary station. The more significant change is that after 38 years of construction, Shanghai has become an important industrial, foreign trade, scientific, cultural, and educational center.

Fellow countrymen, you may still remember that when you left Shanghai 38 years ago, Shanghai's annual industrial output was merely 3.9 billion yuan, and most of the output was light industrial products and textile goods. In 1949, Shanghai's light and textile goods represented 88.2 percent of the city's total industrial output, and heavy industrial goods represented only 11.8 percent of the total industrial output. The metallurgical industry turned out only 5,000 metric tons of steel annually. The chemical industry could only produce a limited amount of acid and alkaline and [words indistinct]. Manufacturing of meters and gauges was almost nonexistent. Today, Shanghai has become an industrial center with a complete array of industrial production and all kinds of supporting services. Shanghai has 145 of the nation's 166 categories of industrial production uniformly classified by the state, including such major categories as metallurgy, chemistry, machinery, shipbuilding, power equipment, electronics, meters and gauges, light industry, handicrafts, and pharmaceutical products. In recent years, automobile and airplane manufacturing and petrochemical production have also been developed in Shanghai. Today, Shanghai can produce (?8 million) metric tons of steel, build 400,000 metric tons of ships, and produce over 2 million kilowatts of power equipment each year. Its annual industrial output now approaches 100 billion yuan. The ME-82 airplanes Shanghai produces with U.S. cooperation have already (?been test flown). Shanghai can turn out 40 Santana sedans, which Shanghai produces with West German cooperation, each day. Presently, construction of a plant that can produce 300,000 metric tons of ethylene annually is being actively planned.

Shanghai harbor has made significant headway in expanding its traffic and foreign trade capacity. Shanghai harbor's annual traffic has reached (?103 million) metric tons, and has become one of the 10 major seaports of the world. Shanghai's foreign trade is increasing steadily. Industrial goods make up 80 percent of its exports. Shanghai now has more than 20 foreign trade shipping lines, and over 70 foreign trade [words indistinct] Shanghai has established trade relations with 170 countries and regions. Last year, Shanghai's exports exceeded US\$4 billion. Shanghai has also achieved initial successes in undertaking contracted projects abroad, providing cooperative labor services to other countries, and attracting foreign investment.

Fellow countrymen, you may also remember that Shanghai's scientific, educational, cultural, and health work was very underdeveloped before 1949. In those days, Shanghai had only 12 natural science research organs with some 200 researchers, and only 17 universities and colleges. Today, Shanghai has 1,000 research organs with 600,000 full-time researchers. Of these researchers, nearly 400,000 are engaged in natural science research. Thanks to their scientific and technological expertise, Shanghai has been able to produce hydraulic presses with 10,000-metric ton pressure, 300,000-kw steam turbo generating sets with inner water-cooled stators and

rotors, large electronic computers, large electronic microscopes, 120 metric ton-oxygen top-blown converters, and synthetic insulin. Shanghai has also achieved impressive success in aeronautic technology, replantation of severed limbs, and other spheres of scientific research.

Shanghai now has 51 universities and colleges, with nearly 130,000 undergraduates and graduate students. During the past 38 years, Shanghai's institutes of higher education have trained over 370,000 graduates for the provinces. Shanghai has popularized 9-year compulsory education. Shanghai has been carrying out reforms and opening to the outside world following the convocation of the 3d Plenary Session of the 11th CPC Central Committee in 1978. This has further revitalized Shanghai's economic and social development.

So far, foreign businessmen have invested a total of 1.83 billion yuan in 284 projects in Shanghai. Today, 274 enterprises in Shanghai are Sino-foreign joint ventures, cooperative enterprises, and foreign-owned enterprises. Development and construction are proceeding in the four districts that have been opened to foreign investment: the Minhang and Hongqiao economic and technical development zones, the Wubei new district, and the Chaogouding microelectronics industrial zone. Certain construction projects there are nearly completed. Shanghai has approved 590 foreign-funded projects involving US\$2 billion in foreign capital. The Shanghai municipal construction and investment environment has been substantially improved. Last year, Shanghai received a total of 660,000 foreign visitors; compatriots from Hong Kong, Macao, Taiwan; and overseas Chinese.

Historically, Shanghai and Taiwan have been very close. In the past, there were regular shipping services between Shanghai and Keelung. Many plants in Taiwan were set up by Shanghai businessmen and entrepreneurs. Businessmen in Taiwan also marketed Taiwan's local goods in Shanghai. Academic contacts and exchanges of visits between people within the cultural, scientific, and technological circles in Shanghai and Taiwan were frequent.

In short, economic and cultural exchanges between Shanghai and Taiwan were quite frequent in the past. We hope this tradition can be carried forward under the new conditions today.

Dear countrymen in Taiwan, Shanghai now has over 1,000 compatriots of Taiwan origin and over 200,000 family members of people who are now in Taiwan. They are patriotic and have contributed to China's construction. Like all other people in Shanghai, they are doing all they can in transforming and rejuvenating Shanghai. Many of them have become deputies of people's congresses, or members of CPPCC committees at various levels. Many others have been elected to various leading posts. Of the people in various walks of life, many have friends or relatives in Taiwan.

Since the Taiwan authorities began to let people visit their families in mainland China, thousands of them have visited Shanghai. While here, they are warmly and cordially received. The state (?maintains that this is) a favorable development. It is entirely possible for Shanghai and Taiwan to resume their contacts and develop economic cooperation and cultural exchanges. Here, on behalf of the Shanghai People's Government, I would like to warmly welcome countrymen in Taiwan to come to Shanghai for travel or sightseeing, or visiting their families and friends. We also warmly welcome people in the industrial circle to come to Shanghai to study its investment climate and conduct business talks. We also welcome people in Taiwan's cultural, educational, scientific, technological, and sports circles to come to Shanghai to conduct academic exchanges, to perform, or to have friendly competitions so we can promote mutual understanding.

Our motherland must be reunified, and our families must be reunited. This is the common aspiration of people on both sides of the strait. In this Year of the Dragon, we, as descendants of the Dragon, are obligated to contribute to reunifying and rejuvenating our motherland. I wish you successful careers, and hope that everything will turn out as you wish.

[Speaking in Shanghai dialect] Finally, let me once again wish my fellow countrymen in Taiwan and people of Shanghai origin in Taiwan a happy New Year.

Activist Arrested on Sedition Charges
HK060526 Hong Kong AFP in English 0521 GMT
6 Jan 88

[Text] Taipei, Jan 6 (AFP)—A Taiwan independence activist has been arrested on sedition charges for allegedly murdering a Taiwan diplomat in Brazil and masterminding bomb attacks on two local newspapers in 1982, the Bureau of Investigation (BOI) said here Wednesday.

Chuang Kuo-min, 32, was arrested by BOI investigators at his brother's suburban Taipei home on December 26, three weeks after returning from Buenos Aires where he had been living for the past six years, a BOI officer said.

He was turned over to the Taipei High Court this week for investigation by prosecutors and has still to be indicted, he said.

The officer said Mr. Chuang, who had fled to Argentina after being sought by Taiwan police for a homicide, told police he was recruited and trained there by a radical group promoting an independent Taiwan.

Under orders from the group, he gunned down Chien Tang-chiang, an official of the Overseas Chinese Affairs Commission, in Brazil in 1982, he was quoted as telling police.

Mr. Chuang also said he had planned bombings at the CENTRAL DAILY NEWS and UNITED DAILY NEWS in the same year, the officer said.

Home-made bombs planted by Huang Shih-keng, who was convicted of sedition in 1984 for the attacks and sentenced to 10 years in jail, injured several people and shattered windows in the two newspaper buildings.

Mr. Chuang also told investigators he was sent back to Taiwan to engage in sabotage to create social unrest, the official said.

The Taipei government claims sovereignty over China and outlaws the advocacy of an independent state separate from the mainland.

Legislator Calls for Investment on Mainland
HK051238 Hong Kong AFP in English 1225 GMT
5 Jan 88

[Text] Taipei, Jan. 5 (AFP)—Taiwan legislator Chao Shao-kang has called on the Taipei government to map out a set of investment policies to enable local manufacturers to invest in mainland China.

Mr. Chao made the remarks Monday at a seminar on trade with China, sponsored by a group set up to promote the modernization of Taiwan's small enterprises.

Predicting that Taiwan and the mainland would reunify economically in the long-term, he called for economic policies in Taiwan to be more positively tuned than the passive policies adopted presently.

Mr. Chao suggested that local manufacturers, including government-owned enterprises, form holding companies abroad in cooperation with foreign firms as a means to make inroads into the mainland market. The joint ventures would benefit from an additional layer of legal protection, he added.

Macao

Portuguese Minister Cancels Beijing Visit
*HK050659 Hong Kong SOUTH CHINA MORNING
POST in English 5 Jan 88 pp 1, 4*

[By staff reporters]

[Text] The Portuguese Foreign Minister, Mr Joao de Deus Pinheiro, has cancelled a planned visit to Beijing this month for an exchange of documents ratifying the agreement to return Macao to Chinese rule in 1999.

The move comes against a background of an apparent strain in relations between Beijing and Lisbon over the implementation of the Joint Declaration, and the Macao administration's determination to push ahead with a number of key development projects.

The exchange of the ratification papers will still be carried out as planned in Beijing on Monday—but it will most likely be done at ambassadorial level.

A spokesman for the Ministry of Foreign Affairs in Lisbon confirmed last night that "Mr Pinheiro will not go to Beijing next Monday", adding the cancellation had no political significance.

Mr G. Cabral disclosed instead that Mr Pinheiro would visit Beijing "probably in the first two weeks of July".

He said details on the ratification were not yet available.

The Portuguese embassy in Beijing yesterday declined to comment on the announcement.

A spokesman for the mission, Mr J. M. Garcia, said he was not in a position to divulge any information on the ratification ceremony. The ambassador, Mr Octavio Valero, was in a meeting yesterday, Mr Garcia said.

The cancellation of Mr Pinheiro's trip to Beijing was announced in Lisbon over the weekend and both China and Portugal have since played down the news.

But diplomatic observers in Hong Kong and Beijing said the act could reflect extreme displeasure by Portugal with China for not agreeing to several projects that the Macao government would like to implement before 1999.

The nationality issue is also one that has plagued relations between the two countries.

The Joint Declaration on Macao's future was initialled in March last year following some six months of negotiation by the former Portuguese ambassador to the United Nations, Dr Rui Medina, and China's Vice-Foreign Minister, Mr Zhou Nan.

A month later, the Portuguese Prime Minister, Mr Anibal Cavaco Silva, flew to Beijing and signed the accord with his Chinese counterpart, Mr Zhao Ziyang.

The Joint Declaration has also been ratified by the Portuguese parliament and China's National People's Congress and Mr Pinheiro was to fly to Beijing early this year for an exchange of the papers.

While the signing of the Joint Declaration on Hong Kong's future between Britain and China heralded an improvement in diplomatic relations between the two powers, diplomatic links between Beijing and Lisbon have been strained.

Portugal is interested in leaving Macao with something more substantial than the Latin culture it has championed for more than 400 years, observers said.

The Macao Government has endeavoured to promote the construction of an airport in the Portuguese enclave, the building of a deep-sea harbour as well as the development of offshore Taipa Island. China has discouraged all three moves.

China is more interested in either further expanding the airport facilities in Hong Kong or building its own airport in Shenzhen. It is understood to view the proposed Macao airport as a waste of effort.

In addition, Chinese officials say there is already an excellent harbour in Hong Kong and China is also developing several ports on Hainan Island.

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